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# BULLETIN

## OF THE NATIONAL ASSOCIATION OF CREDIT MEN



FEBRUARY, 1915

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Keep in mind the date, Salt Lake City Convention—  
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# BULLETIN

OF THE

## NATIONAL ASSOCIATION OF CREDIT MEN

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# BULLETIN

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Vol. XV.

FEBRUARY, 1915

No 2.

### \*Acceptances.

HERBERT R. ELDRIDGE, VICE-PRESIDENT NATIONAL CITY BANK OF NEW YORK, BEFORE NEW YORK CREDIT MEN'S ASSOCIATION.

Prior to the Civil War a considerable proportion of the business of this country, and especially that pertaining to the sale of goods by manufacturers to jobbers and jobbers to merchants, was done through the medium of bills drawn upon the purchaser by the house making the sale. These bills were drawn at thirty, sixty and ninety days, four months, or even six months, and upon presentation, if in order, were accepted and returned to the original drawer, who thus had in hand an acknowledgment of the justness and legitimacy of the debt, in such form as would permit him, if occasion required, to negotiate the bill based not only on the credit of the drawee, but upon that of himself as well. This form of paper was termed "acceptances" and gained high standing.

After the war, business was more or less demoralized and the question of credit entered more seriously into mercantile transactions than ever before. In order to give inducement for the payment of cash, discounts were offered on all invoices, sufficiently attractive to make it decidedly to the interest of the buyer to obtain funds to liquidate the account. The advantages of the discount system are obvious as a seller is relieved of all responsibility pertaining to the carrying of an account, and it is but natural business interests should feel a strong preference for it. The development of the mercantile discount system led to merchants in general finding it necessary and advantageous to make some connection that would provide them with funds to take advantage of the discount. The basis upon which discounts are offered is usually such as to reflect discredit upon a merchant who fails to take advantage thereof, as any merchant in good standing should be able to borrow money from his bank at a rate considerably under what it would cost him not to take advantage of the discount.

Viewing trade as it stands today, a jobbing house in selling to a merchant must be acquainted with his financial standing,

\* Presented at the January, 1915, meeting of New York Credit Men's Association.



for it may be the merchant will find it necessary to take advantage of the full length of time upon which the goods are sold, and if he so elects the jobber must carry the amount on his books as an account receivable until paid. Therefore in all well regulated jobbing houses a file is kept of the credit standing of all merchants who may offer their business. Hence it will be seen that the element of risk of credit extension is ever before the jobber and he must be posted as to the standing of those with whom he deals. There are few jobbers doing business who can afford to fail to take advantage of the discount offered on goods purchased. The margin of profit which competition permits in the jobbing business is not large and in many lines the discount saving is one of the chief items of profit. Therefore the jobber in turn must find funds to pay cash for his purchases and he very naturally turns to the banks. It will thus be seen that in all dealings between manufacturers and jobbers, and jobbers and retailers, the element of credit is fundamentally prominent, and that the trade of the country is largely done either on the capital employed in business, or the proceeds of notes discounted at the bank, or both. Prudent manufacturers, and merchants see to it that they at all times have in hand a sufficient amount of what are termed quick assets to liquidate their liabilities as they mature without undue distress. These assets usually consist of the merchandise in stock, accounts receivable, and cash on hand. Bills receivable are not as a rule taken, nor have acceptances been employed to any degree in the conversion of open accounts. A merchant having occasion to sue upon an open account must legally swear to the justness of the claim and be ready to dispute any contention to the contrary. Were the policy pursued in the sale of goods from the manufacturer to the jobber, or the jobber to the merchant, of enclosing with the invoice a bill covering the amount to be accepted in the event the discount was not taken, the seller would always have in hand tangible evidence of the justice of the debt, and a satisfactory method of lawfully assigning the account to secure funds. This is one of the many arguments that may be made for the advantage of acceptances.

The United States is a country of magnificent distances. The basis on which business is done in the South, for example, is not the same as the basis in the East; nor is the basis in the North the same as in the South. The ability of the different portions of the United States to liquidate their obligations largely depends upon the nature of the employment of the people. In a manufacturing section where employes receive wages once per month, monthly settlements are the rule. In the South where the great majority of the people are devoted to agriculture, and practically all business is based thereon, it is found that longer time is needed to care successfully for the situation. It is the custom of manufacturers and jobbers to extend credit according to the character of goods sold. Articles bought for quick sale and consumption are sold on the basis of cash or thirty to sixty days' time, whereas seasonal goods are usually sold against invoices dated and due at agreed times and



subject to various discounts if cash be paid on receipt of goods, or at stated times. Ordinarily a merchant in the interior must confine his trade to houses to which he is well known; while up-to-date houses as a rule are well equipped with credit files, the merchant does not often distribute his purchases as broadly as he might were he prepared to offer satisfactory, dependable evidence of his ability to pay. The dealings between the merchants and manufacturers of one state with those of another may well be likened to export and import transactions. As you all know, the basis upon which practically all foreign trade is conducted is the drawing of bills, and if there be any question whatever as to the responsibility of the buyer, the seller may with perfect propriety require a bank credit to be given. When this is done, instead of drawing a time bill against the buyer, he will draw it against the bank extending the credit, accompanying same with a copy of the invoice, the shipping documents and certificates of insurance, together with a hypothecation of the goods shipped. Before issuing the credit the accepting bank requires the obligation of its client to provide the funds to meet the acceptance at its due date. In the event the shipper believes he can transact business with the buyer without the intervention of a bank credit, he may upon agreement draw a bill against the purchaser at an agreed time with all papers attached signifying on its face whether the documents are to be delivered to the purchaser upon acceptance of the bill, or are to be held until the bill be paid. Instruments of this type are called "commercial bills." Bills drawn against banks under credits extended are termed "bank bills" and if the bank upon which the bill is drawn enjoys high credit standing it is called a "prime banker's bill" or "prime bill," and as such is readily bought and sold on the open market of the country in which the bank is located, on the strength of the bank's credit alone. Prime bankers' bills constitute the highest form of credit, and all other forms of bills command as a rule less favorable discount rates which are in exact proportion to the credit responsibility of the acceptor. The availability of the character of the bill for discount in the market automatically governs its employment.

It is clear that were the banks of our country generally permitted to accept bills in consummation of domestic commercial transactions the basis of credit on which goods are generally sold throughout our country would be improved and a much superior type of paper offered on the discount markets of the various centers. As conditions are now, the purchaser of the goods is practically compelled to discount an invoice in order to hold his own with competition and he must always take into consideration the condition of his home money market. Money may be tight, for instance, in one section, and easy in another. A merchant seeking funds with which to discount his invoices rarely has an opportunity to avail himself of the rates prevailing in other sections, but must be content to take that ruling at home. There are merchants who make it a point to carry bank accounts in various banking centers and to have a line of credit available at each place, thus permitting them to take

advantage of the lowest rates prevailing, and to that extent enjoy an advantage over the merchant placing his reliance upon his home connections only. It is but natural that banks possessing the accounts of business houses should feel under obligations to extend certain lines of credit in proportion thereto according to the responsibility of the borrower, and to that extent the borrowing requirements of a merchant are assured. In recent years the custom has grown up for merchants presenting good statements of condition to sell their notes to the public through the medium of commercial paper brokers. These notes are offered by the brokers to bankers all over the country and are largely employed as investments for surplus funds. The notes as a rule are what is termed "single name" paper and are sold solely upon the credit standing of the maker, the broker assuming no responsibility whatever beyond the genuineness of the signature. In times of ease there is a very broad market for paper of this description and the rates frequently fall to figures that are peculiarly attractive and which occasionally stimulate a tendency toward over extension. Up to the present moment the buyer of that paper must depend solely upon his credit files and such information as he may be able to gather in a general way. The statements of condition furnished by the makers of the paper are usually made but once a year, and, it may be said, at the most favorable period to the makers. In general practice it is impossible to know with any degree of certainty the volume of paper a maker may have outstanding at the time a purchase is made. This paper on the whole has proven quite attractive and is bought with considerable freedom. The total amount outstanding in ordinary times is very large. The paper given is a plain note of hand. There is nothing to indicate the occasion of its origin. It is bought and sold on faith and faith alone. It is to be presumed that bankers having dealings with a merchant are much closer to the conduct of his affairs than any one else, and have the means at hand to ascertain, whenever doubt may possess their minds, his exact condition. There are many well-known houses which could doubtless dispose of their paper on the open market to good advantage and at satisfactory rates under practically any conditions but were the commercial paper offered today on the open market supplanted in a large measure by time acceptances made on behalf of the merchant by the various banks with which he does business, it would stand to reason there would be comparatively little opportunity for a merchant to overextend himself without the knowledge of his bankers. The banker would, for a small consideration, become the sponsor of his credit. It goes without saying that paper of this nature is much to be preferred to the present style of commercial paper inasmuch as the Federal Reserve Act would not authorize the acceptance of such bills unless they were drawn to supply funds to be used in actual commercial transactions. The acceptance by the banks would be *prima facie* evidence that the proceeds were to be so used. Such bills would unquestionably command in the open market a lower rate than that which we now term

commercial paper, and would afford the drawer an opportunity to avail himself of the cheapest money markets, thus tending to equalize credit all over the country.

The Federal Reserve Act, however, withheld from the business public the privilege of acceptance by member banks of bills drawn against *domestic* commercial transactions and only confers such power with regard to bills drawn in consequence of imports and exports of goods. Whether or not the acceptance privilege should be given member banks to cover domestic commercial transactions is a question that has aroused considerable interest, and in some quarters it has been felt that unjust discrimination has been made against the domestic trade of the country.

There are many arguments in favor of the domestic acceptance. Primarily, and, to some minds most important of all, the possibility of undue expansion on the part of the drawers of bills would be eliminated. The market would be supplied with a plentiful number of bills of the highest order which would attract as purchasers not only the banks and investors of our own country, but, in times of peace, foreign banks and investors as well. The eligibility of such bills for rediscount with federal reserve banks (and undoubtedly for sale to those banks in open market transactions), would give them additional value. Indeed, they would form the most attractive class of investment we could have, as they would be immediately convertible into cash or bank credits whenever desired. They would form ideal secondary reserves for banks. Our discount markets would unquestionably absorb all the high grade bills offered at any time, and competition would permit them to sell at figures that would prove a revelation to the public.

It is quite clear that a discount market is one of the most important features of a financial system. Practically all the great nations, with the exception of our own, enjoy such markets. The supply of acceptances based on exports and imports of goods is not sufficient in volume to provide for the needs of a broad discount market, nor is it possible that it could. You cannot have a market worth the while unless there be a sufficient volume of bills offered to make it a tangible and steady thing, and if the privilege of domestic acceptances were accorded for no other reason than to create a broad discount market it would redound greatly to the benefit of our country. The prime value of a discount market lies in the fact that when exchange rules against us and gold exports are threatened, investment in our bills by foreign bankers is peculiarly attractive, inasmuch as the rate must of necessity go high and foreign exchange coincidentally invariably rules at rates promising a good profit in such transactions. It must be borne in mind that the protection of our gold reserve is vital to us all. Gold in the vault of a bank, or in the vaults of the federal reserve banks, is a basis for credit and if credit be extended on the basis of say \$4.00 for \$1.00 it naturally follows that with every dollar of gold exported \$4.00 of potential credit extension power goes with it, and if the surplus reserves of the country are not sufficient conveniently

to permit such exports it means a contraction of at least \$3.00 of credit for every gold dollar that leaves our shores.

Were domestic acceptances permitted it would be possible for a merchant in Kansas desiring to make his purchases in the cheapest market, even though there unknown, to do so if he were armed with a letter of credit from his banker to the effect that the bank would accept all bills drawn against it to the extent of an agreed figure, provided it is accompanied by a copy of the invoice and the original shipping documents. The only interest the seller would have would be to satisfy himself of the solvency of the accepting bank and the availability of the bill for sale in the open market. As has been said before the period of credit needed by various merchants varies with the locality in which they transact business. Backed by a letter of credit from a bank the length of time the credit asked for should run becomes a secondary consideration if the bank issuing the credit is sound. Likewise the availability of the bill for immediate sale obviates the occasion for offering a liberal discount for cash, so that buyers and sellers can operate practically on a cash basis, consideration being given only to the rate at which the bill is available for discount.

It has been contended that to give the acceptance privilege to all member banks of the federal reserve system without discrimination as to size, would encourage the flotation of numerous ill advised instruments of this character. Many feel that the acceptance privilege should be accorded only to banks situated in the larger cities which naturally are more accustomed to business in its various ramifications than those institutions of small capital operating in small places. To a certain extent this contention is well grounded. But it does not appear that Congress cares to place itself in the attitude of allowing privileges to one bank without allowing equal privileges to another, and therefore it has been thought best to deny the privilege to all rather than to make what may be called discrimination. This argument is not well sustained. It is not probable that small banks would place any value upon the acceptance privilege, but were such banks, at the discretion of the Federal Reserve Board, granted the privilege but were required to carry a trifle larger reserve for this reason it would soon develop what banks were anxious to have the privilege and it could be left to the wisdom of the Federal Reserve Board to say to which it should go.

The acceptance privilege could also legitimately be applied in other directions than in mercantile life, to the lasting benefit of the country. Taking the South as an example and recalling the evident desire of Congress and the country at large to assist in its problem of caring for the large cotton crop of this season and the slow movement consequent to the lessened demand occasioned by the war, it can be seen what degree of usefulness the acceptance privilege would have permitted. It cannot be expected that a northern investing bank should be familiar with the quality and integrity of the usual warehouse receipt issued in the various centers of the South. But if such advances could be made against bills drawn by the owner of the cotton on a



bank of high standing, the situation would assume a far different aspect. The accepting bank would protect itself by the deposit with it of familiar warehouse receipts representing cotton in sufficient amount to amply protect it and would be further safeguarded by the deposit of insurance policies affording sufficient fire protection, not to speak of the obligation of the bank's client to supply the funds to retire the bill when due. The question of the validity and goodness of warehouse receipts would no longer be of prime importance to the buying banks and without doubt such paper would sell to good advantage on the open market. The domestic acceptance privilege could also be applied in financing the sale of cotton to the spinners, of wheat to the millers, of corn to the consumers, and of the numerous products of the country to those who have use for them. The bills would find a ready market and the character of the paper offered on the discount markets would be vastly improved, at the same time affording a safe and sane method for distributing the redundancy of funds of one section to others not so favored, thus doing much to equalize rates of discount in the various states at all times and performing a real service to the people.

The necessity of the establishment of a broad discount market is apparent to every thoughtful student of finance. It is the best known protection to the bank reserves of any country and its efficacy has been proved beyond peradventure. Not only could these acceptances be made by member banks but by all authorized state banks and private banking houses and corporations formed for such purpose. The market would be sufficiently discriminating to separate the various classes of bills with keen regard to their financial strength, and that discrimination would be sufficient to eliminate rapidly from offerings all bills accepted by banks or houses of inadequate financial strength. No banker would permit his acceptances to be offered on an unresponsive market. The injury to his credit would be irreparable. The amount to which member banks could legally accept should be fixed by statute. As the law now stands in making acceptances covering imports and exports of goods, a member bank is not permitted to assume obligations of this character beyond one-half the amount of its capital and unimpaired surplus. As the Federal Reserve Act now reads, member banks situated in central reserve cities must carry a reserve of 18 per cent against their net deposits; those of reserve cities 15 per cent; and what are termed country banks 12 per cent. After three years have elapsed from the date of the establishment of the federal reserve banks no member bank is permitted to carry any portion of its lawful reserve with a reserve or central reserve city bank. There would be but slight objection on the part of bankers in central reserve and reserve cities to continue to carry the same proportion of reserves the act now requires were the domestic acceptance privilege given them in proper proportion, and certainly no objection could be raised by banks not situated in reserve and central reserve cities. It might be expedient to

extend the privilege to such country banks as would maintain enlarged reserves in keeping with those required of reserve cities.

Unquestionably the privilege enjoyed by member banks accepting bills drawn in connection with exports and imports of goods is of great advantage and has already done much to promote foreign trade. There are none of us who are not keenly alive to the importance of foreign trade development. We must bear in mind that every dollar of goods exported from our shores carries with it a call upon an equivalent amount of goods or gold and that every dollar of manufactured goods going abroad represents its proportionate part for labor paid to our citizens. But it is not within our province this evening to discuss the value of foreign trade.

The Federal Reserve Act marks the greatest step forward this country has ever made in its financial advancement. While it leaves much to be desired, and will undoubtedly be subjected to several revisions, it remains the greatest constructive measure Congress has given us in many, many years. The ability of the banks to support the structure of credit no matter what conditions may prevail is greatly augmented, and there is little reason to believe that we shall ever again have occasion to go through such periods of acute financial disturbances as we have in the past. We cannot, of course, escape the result of over-expansion and undue credit extension. "He who dances must pay the fiddler," and if we conduct our business affairs along unsafe and unsound lines we must pay the penalty, but there is fortunately reason to believe that the provisions against serious trouble are now much more salutary than they have been in the past. Under the Federal Reserve Act our facilities to handle the business of the country are greatly increased, and there is but little doubt that we may safely go forward feeling the ground under our feet to be safer than ever before.

### **With Its Enactment in Kansas the Bulk Sales Law Rules in Every State.**

The bulk sales bill has at last been passed in the senate and assembly of the Kansas legislature, and as the BULLETIN went to press it was awaiting the governor's signature. The vote in the senate was twenty-six for and eleven against. It is expected that the governor will attach his signature.

The good news of the passage of the bill was received while the legislative committee of the Kansas City Association of Credit Men was in session and was the cause of great rejoicing, because the Missouri association have been as deeply interested and have put as much work into securing the enactment of the measure as have the credit men of Kansas. This success brings within the roll of bulk sales states every state in the Union and the District of Columbia and thus concludes the first campaign for a bulk sales statute which the National Association planned almost immediately after its formation. Since the bulk sales law was first framed, weaknesses have been discovered which in several of the states attempts are being made to meet and overcome.



## Health and Optimism as Related to the Business Man.

\*BY DR. ARTHUR W. DUNNING, FORMERLY CLINICAL PROFESSOR OF NERVOUS AND MENTAL DISEASES, COLLEGE OF MEDICINE, UNIVERSITY OF MINNESOTA.

Efficiency is the keynote in the life of the business man of today. A man in poor health cannot attain to the highest degree of efficiency, nor can he do so when in good health unless he is also an optimist.

My thesis, then, is this: In order to attain to the highest degree of efficiency in business, a man must possess both good health and a high degree of optimism.

To point out the way to good health would go beyond the limits of this article, and at best I can only "hit the high places," as it were, contenting myself with giving a few brief suggestions.

Bright's disease is of frequent occurrence among business men, and is in large measure preventable by right living. Its causes are—over-work, over-eating, alcoholic drinks, exposure to cold and wet and various infections. A careful consideration of these causes points the way to the avoidance of the disease. It is a wise thing to consult your doctor once or twice each year, for Bright's disease is a very insidious ailment and often exists for some time before the victim is aware of illness.

Much is said in these times about "hardening of the arteries." It is not by any means a new disease, but it has recently come into public notice. Its causes are again—over-work, over-feeding, alcoholic drinks, and advancing years. It is present in varying degrees in most persons in middle and later life, and often results in apoplexia, *i. e.*, the bursting of one of these "hardened" arteries in the brain. Here again the causes cited suggest the means of prevention.

Notwithstanding the splendid dentistry of modern times, the neglect of the teeth is a very prolific cause of preventable disease. A decaying tooth, or an unsuspected blind abscess about the root of a devitalized tooth, may be the source of infection which, passing to other parts of the body, finds lodgement and causes serious trouble. The remedy is vigilant watchfulness, and scrupulous cleanliness of the teeth.

In much the same way a diseased tonsil, or suppurating nasal catarrh may be the source of the germs which cause a rheumatism, or a septic heart disease. In short, any pus-forming process in any part of the body, however seemingly slight and insignificant, should be promptly eliminated, or, as the well man would say, "see your doctor at once."

There is, perhaps, no question that comes to me more frequently than this: "Just what shall I eat, and what shall I not eat, in order to keep well?" It is an exceedingly difficult matter to arrange an absolute diet, even for an individual patient; and it is infinitely more difficult to lay down a general rule for all men; but fortunately it is not so much what one eats as how much, and under what conditions. A young man needs more food than an old man; a man of out-of-door occupation needs more food than an indoor or office man; the man in middle life and later should eliminate gradually the meat diet and adopt instead the carbo-

\* Prepared at instance of St. Paul Association of Credit Men.

hydrate foods. A few men eat too little and, in consequence, become thin, anæmic and weak. Many more habitually eat too much and become heavy, plethoric, short-winded, and too often sleepy and thick-headed. These people are usually cursed with big appetites and they excuse their indulgence on the ground that Nature has indicated their need in this way. This is a wrong view, for the very appetite is an acquired habit. To prove this, the man who finds himself growing too heavy may, by exerting will power, limit the amount of food to two-thirds, one-half, or even one-third the usual, until he reduces to the normal weight, when he will find that his appetite has actually reduced to the normal also. It is equally true that the puny small eater may, by forced feeding under the direction of another, actually acquire a larger appetite and a larger capacity for food, with marked benefit to his health.

As to alcoholic drinks, they should find no place whatever in the life of the man who aims at the highest degree of efficiency. I realize that there are many who will question this statement from their own experience. But let me assure such that they are wrong, for their increased efficiency while under alcoholic stimulation is not real, but only *seems* so to them, and is not at all apparent to those about them. Fortunately for the race and for the individual, the use of alcoholic beverages is rapidly becoming less and less popular among thinking men, and its baneful influences upon health are well recognized.

Only a small proportion of business men have sufficient recreation to maintain the highest degree of health and efficiency. Some of us have been taught by an ancient and honorable body that it is wisest to divide each day into three periods of eight hours each, as follows: eight hours for labor, eight hours for recreation and refreshment, and eight hours for sleep. But how very few put this instruction into practice!

The average business man gets by far too little muscular exercise in the open air. It is becoming more fashionable to walk to business in the morning, but how many walk home at night? Too many, because of a feeling of weariness, crowd into a stuffy street car to ride home, not realizing that a brisk walk in the open air will quicken the circulation and drive away the feeling of weariness of head and nerves, thereby enabling them to take much better care of their evening meal, and secure to them better sleep.

A vacation is an urgent requirement of nature and should be used much more frequently than it is as a preventative of lowered efficiency. A vacation does not necessarily mean idleness in a healthy but merely tired man, but it should include a complete change, and absolute removal from the usual daily grind of cares. It should be spent mainly in the open air if possible and may well partake of riding one's hobby, whether that be gardening, golfing, rowing, fishing or just walking. At any rate, it should be a radical change from the routine of life, even to the getting away from home and family.

I cannot refrain from speaking of my hobby for the past ten years, namely, public playgrounds for children. In a way, it is indirectly a part of my subject, for as a means of developing our youngsters physically and morally it certainly does much toward

producing in the coming generation vastly greater business efficiency. I want to bespeak the co-operation of all business men in the promotion of public playgrounds, and I submit that, even reckoned in cold cash, it pays any city or community to provide well-equipped and supervised playgrounds for its children, because for every dollar spent in this way many dollars will be saved in the cost of maintaining public institutions for the sick and the morally anfit.

Many business men are the victims at times of mental and emotional depression in varying degrees, which may be due to physical causes or perhaps purely to psychical causes. In either case, such depression greatly impairs or destroys a man's efficiency for the time being. The first thing to be done is to determine whether the case belongs in the physical or the psychical class, and this, of course, can only be determined by a physician. If due to organic disease it should, of course, receive prompt and thorough treatment; while, on the other hand, when due to a purely hysterical state, or a bad habit of thought, it is only "up to you." And right here is where the "optimistic" phase of my subject comes in. The habit of keeping constantly to the hopeful and happy view of things, making the best of each situation, "looking for the doughnut instead of the hole," is of inestimable value in the preservation and maintenance of good health. It is true that a bad liver or a dyspeptic stomach tends tremendously toward depression, and it is equally true that a determined cheerfulness and optimistic outlook promotes better digestion, better sleep, and surely, better business. Likewise, anger interferes gravely with the functions of the body, sometimes producing toxins in the body with serious results, while no one, I am sure, would question for a moment my contention that he who permits himself to become angry in any contest is at once, and because of it, placed at a great disadvantage with his adversary. Self-control is, therefore, one of the best of safeguards and a most valuable personal asset.

Many times I am asked: "How can I get away from the cares and worries that tend to depress?" "How can I help thinking of my troubles when lying awake at night?" My answer is, by rigid self-discipline, and the application of logic. It is very true that one cannot stop thinking of any given subject by the mere effort to stop. You might as well try to lift yourself off the ground by pulling on your shoe-strings. But you can do so by first analyzing the problem, doing at once anything that will help the situation, then locking up the whole business until the time shall arrive when something more can be done; and then, by turning with concentrated attention to another subject of cheerful nature, the mind becomes occupied with optimistic thoughts, the subject of trouble is displaced, and for the time being forgotten. If the trouble gives rise to, or is accompanied by, insomnia, add to the above plan the idea that "it matters not a whoop whether you sleep or not" (and this is literally true, for it is not the loss of sleep so much as the worrying about it that does the harm); not only will the trouble vanish, but sleep will come to the tired mind before you have half finished the plans for that bungalow you were drawing in your mind's eye, or the fishing trip you were picturing in detail, or

whatever fairy tale you have concentrated upon. Try it out; I know it will succeed if you use it faithfully and persistently, for not only have I demonstrated its success with scores of patients, but I have used it with success myself.

Have we attained, then, to health and to optimism in a high degree? To what purpose?

You know it has been said that a certain prosperous farmer, when asked why he continued to work so hard, replied: "To get more money, to buy more land, to raise more corn, to feed more hogs, to get more money"—but why? "Why! To buy more land, to raise more corn, to feed more hogs," etc.

Let me paraphrase this somewhat to apply to my subject, but with a higher aim and a more worthy purpose: Take more care, to have good health, to be a greater optimist, to attain greater efficiency, to give greater joy in life.

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### **We Are Selling Service.**

FROM AN ARTICLE BY G. R. ADAMS, SAMUEL SLOAN & CO.,  
ROCHESTER, N. Y.

A party of business men were dining together recently. The conversation drifted to the state of trade, one asking another, "How is business, are you selling many groceries these days?" Like a shot out of a gun came the reply, "Groceries, why, we are not selling groceries; we are selling service." Another wholesale grocer said, "That's right, since you came to ——— we hear a lot more about the service you are giving than the prices you are asking.

About the family dinner table one day members began to compare the service of three local department stores, the experience of the family being that one was always prompt, invariably kept its promises to deliver even if it meant sending a special messenger; another could occasionally be depended upon, and from the other, one never expected goods to be delivered until at least twenty-four hours had elapsed after purchase; and it is not hard to guess which firm was able to secure most of the family's business or which store was recommended to the family friends.

I sometimes find it convenient to drop in at the noon hour to make small purchases for myself and family. Recently I wanted to make such purchase and stopped at the nearest hardware store. The store is long and narrow and I found on entering but one clerk at the front counter waiting on three customers, while at the back of the store another clerk could be seen waiting on other customers. Immediately seeing that I would be caused a long wait in that store, I crossed the street to another, a large square store fitted with splendid fixtures, admirably arranged and with several clerks. Each was busy with customers in various corners of the store but there was no one in the center of the square where I knew the article I wanted was kept. No one spoke to me and I soon drifted out, going around the corner to a smaller store. Here I was met at the door by a floorwalker, directed to the proper counter, got my small package, paid my bill, and in scarcely more than a minute after I entered, was opening the door to leave. Now the next time I want to purchase any hardware, if my time is limited, which



store will I be most apt to go into first? All three are first-class stores, but my time is worth something.

A few years ago jobbers of plumbers supplies were few and far between. Sales were made to far distant points, and the plumber expected that after ordering goods there would be quite a delay in receiving them; but now the plumber who wants material often calls another jobber when he finds that the telephone lines of his regular jobber are busy and when it comes to talking delivery of the material ordered, the jobber is told that goods are wanted not tomorrow or next week, but now. Perhaps this seems unfair, but on the other hand we cannot blame the plumber for he has much at stake; his workmen are high-priced men; contracts are taken on close margin, and the jobber who can give service by promptly delivering the complete order at the agreed time and place is the one who often gets the first chance to fill similar orders.

It is for this reason, with the increased number of jobbers, more and more the distribution of plumbing goods is becoming localized and service is becoming the greatest factor in the continued existence of the jobber of plumbing supplies. There is nothing which is becoming more diversified than plumbing and heating fixtures. The matter of freight and cartage or express on small lots sent direct to the plumber by the manufacturer is in itself a slight protection to the local jobber. In some cases it amounts to 10 or 15 per cent of the purchase price, but being a separate item is often not considered by the plumber in comparing prices. One line of manufacturers has tried selling direct to the plumbing trade and their losses have been numerous, and they are coming to see how much better off they would have been had they given a fair difference to the jobber and let him distribute his products rather than distribute them themselves, for the local jobber is better able to watch credits and guards his interests more easily than the manufacturer, and can give more prompt delivery.

But how can service become the right arm of success? How may service assist success? First, service implies system for you cannot give service without it—system in buying, system in selling, system in receiving, system in shipping—yet we cannot expect system to run our business. Many corporations have branch houses that fail to succeed because their owners expect system to take the place of personality and prices to take the place of kindly interest in the customers' welfare.

System should be such that your customer will be made to feel that your store is his warehouse and that he is free to tell you as one of your clerks if you lack some items that he needs from day to day or even occasionally. His judgment is to be asked before putting in a new line, so that his interest in your goods may be increased and you may better know what the practical plumber wants. System means watching stock records for changes in demand; system means the close analysis of sales so that there shall be sufficient reserve stock of the most salable items, and the likelihood of carrying over stock will be diminished, for it has been said "the storerooms of innumerable failures are choked with unsalable stocks of stuff unsuited to the possible market or for which all demand has faded away."

Have you ever examined the inventory of a bankrupt jobber of plumbers supplies? It is truly an experience which will help in future decisions or purchases—odds and ends of lead pipe, stops and bibs that should have been sold for old metal years ago, lines of goods which some smooth salesman caught the easy mark with. The bankers talk a lot of quick assets and clean inventories and jobbers must realize that if a good share of capital is tied up in slow selling styles and sizes, they cannot give customers service on quick selling lines.

In a book called "How to Run a Store at a Profit" appears the following: "Every cent saved in shortened value is lost in shortened trade; to keep up the sales keep up the quality. Aim first to sell satisfactorily and the goods that give it will re-sell themselves." Paraphrasing this, you cannot give service without value; stick to lines you know are staple and don't shift for a passing change of price. Things will even themselves up, and a stock of mixed makes is an abomination. Pay as much attention to quality as to price and closely inspect all goods when delivered, for it is easier to adjust differences before goods are accepted and paid for than afterwards. Subject all products to more rigid tests than the purchase requires. A reputation for producing the best is a sure foundation upon which to build.

In the story of service that brings success, the element industry must never be forgotten. What Lowell says on this subject is: "No man is born into this world whose work is not born with him. There are always work and tools to work with to those who will, and blessed are the horny hands of toil."

Finally the following is suggested as the elements which go to make up service, which in turn goes to make success:

S	y	s	t	e	m.	V	a	l	u	e.									
E	c	o	n	o	m	y.	I	n	d	u	s	t	r	y.					
R	e	c	i	p	r	o	c	i	t	y.	C	h	a	r	a	c	t	e	r.
						E	n	t	h	u	s	i	a	s	m.				

### **"We Trust That Your Spertial Eyes Will Be Opened."**

A member of the Association in Virginia, in receiving an order from a dealer in general merchandise in a nearby town, upon investigation was forced to reply that he did not care to enter into business relations except on the basis of cash in advance. By so doing he brought upon himself all sorts of blessings in a letter, copy of which is presented:

"In answer to yours, Just received. We beg to say, Praise the lord. We sertenly do thank you for your desition, Concerning our correspondence of Afew days Ago. Which we think, you know all About.

"We Agane thank you for your stand in the matter. For we don't want, to do any business with Aset of sinners, That we dont think are willing to do wright. But we trust that your spertial eyes will be opened, so you can see your real condition, Before it becomes two late, And you be cast into the lake which burns with fire and brimstone, whereas there are weeping and wailing and nathing of teeth, We even pray for our enemies,  
Yours truly."



## The Human Element the Thing We Deal With. Incidents in the Credit Man's Work-Day.

THE ONLY TIME I ADVISED A CUSTOMER TO TAKE ADVANTAGE OF EXEMPTION LAWS. BY FRANK BENTLEY, TAMPA, FLORIDA.

Many years ago, before there were bankruptcy laws, I received a wire one morning from one of our salesmen to the effect that a certain excellent customer had been closed up by attachment. He asked for instructions. It was about a sixty-mile jaunt from Tampa to the town where the customer did business and I decided upon a personal interview, so I wired our salesman to bring the customer to Tampa.

In our interview it was brought out that two years before, the customer had, through hard work at teaching and farming, accumulated between two and three thousand dollars, when he was approached by a young clerk, who induced him to put this capital up against the clerk's experience and engage in general merchandising. This was agreed to and a store was opened in a small railroad town, the clerk giving his time to the business and the investor continuing in his old occupation.

Two years after the store was opened the teacher-farmer began to receive letters from creditors demanding settlement of their accounts, and this was the first intimation that things were not going as they should. A careful investigation disclosed, much to the chagrin of the investor, that all the money he had placed at the disposal of the young clerk had vanished, that there was about \$2,500 worth of merchandise in the store, that \$2,500 was owed, and that obligations simply could not be met. He decided that he must immediately take charge of the business. As he got deeply into the affairs of the store he found that his partner had been dishonest.

Just after he had taken charge of the store two traveling men called upon him, one representing a hat house and the other a tobacco concern, and both demanded settlement of their accounts. In his honest, big-hearted way he said: "Gentlemen, I cannot pay you a cent for I have no money, but if you can use any of the merchandise in this store I will let you have it in settlement of your account." The tobacco man immediately corralled most of the tobacco in settlement of his account; thereupon the hat man attached, on the ground that the tobacco man was being made a preferred creditor, and in those days the man who got the attachment on the store first was the man who got his money first.

Here was the only time in my business career when I advised a man to take advantage of the homestead law, for in those days we had to do business largely on the moral risk and a good credit man was one who was a good judge of human nature, and, having a small territory, he usually knew personally every man he sold goods to. So I told my man to go home, ask the sheriff to appoint some appraisers and set aside his homestead exemptions. I sent our traveling man also back to the county-seat with instructions to relate the circumstances to the sheriff. The result was that the sheriff appointed appraisers friendly to the debtor, who set aside every dollar in the store as being worth just enough to

cover homestead exemptions of a thousand dollars. This, of course, immediately dissolved the attachment and left the hat man who made the attachment to pay the expenses.

Next I had my house replenish the man's stock of merchandise and also got some other houses friendly to us to stock him in their lines and he began to build up his business at once. He made my firm his banker, and as fast as money came in he sent it to us, but owing money seemed to worry him and he wanted to adjust matters and settle up with his creditors, so one day he came to Tampa to see me and pointed out that he had enough money saved to settle with his creditors at fifty cents on the dollar and wanted to send them that much money immediately. I undertook to settle with creditors at fifty cents and did so, but it was not long before he came back again, stating that he wanted to settle with his creditors in full, and so we sent checks to his creditors for the balance.

And today this party is a valued customer, has a clean stock of merchandise worth \$15,000, has between ten and fifteen thousand dollars worth of real estate, discounts all his bills, and everybody recognizes him as one of the best business men in Florida.

This little story points to the satisfaction which comes from helping an honest debtor who has gotten into temporary difficulties. There is nothing so pleasant in a credit man's career as to take such part as this in building up a valued customer and putting him in a position to become a valuable citizen. And here is to be found, I believe, the advantage a jobber in a local territory has over a big jobber in a large center, who does business so largely on commercial agency reports and does not come in personal contact with customers.

For several years our credit man has called upon every customer of importance on the books, looked over his stock of merchandise, conversed with him personally, and made up his mind by personal contact as to his worthiness as a credit risk. He has investigated the resources of each community, and when he comes home, files his report as a basis for determining further credits.

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#### ABLE TO HELP BECAUSE CALLED IN BEFORE IT WAS TOO LATE.

H. UEHLINGER, MOLLER & SCHUMANN CO., NEW YORK, N. Y.

In granting a line of credit to a certain manufacturing concern, I particularly requested the officers to advise me if at any time they found themselves in such a position financially as to make it difficult to decide what action to take to preserve their business.

About nine months after this suggestion was made, I received an urgent telephone message to call.

I was a creditor, and so with a statement of account and credit data slipped in my pocket, I responded to the call. Arrived at the office I was asked to listen to their story, and as nearly as I can remember, the following is the story told by the president.

"Mr. Uehlinger, we have had your suggestion in mind—

the one you made when you consented to give us a line of credit—so if you will have patience we will tell you our troubles.

"We haven't a cent—customer's accounts have been assigned—therefore no receivables. We have borrowed on our life insurance policies two weeks ago and put the cash into the business. The jewelry we possessed was likewise pawned and the cash put in the business. You can see the entries on record if you wish.

"Now we haven't a cent to pay office or factory help, and the bank we renewed notes twice, and a note due tomorrow, Friday, we are unable to meet, unable to pay a dollar on account. We called there yesterday and was informed that if there is no substantial reduction, the note would be protested and suit begun. But that is not all. Other notes for machinery and equipment which have been renewed are falling due and we cannot meet them. We have a beautiful plant, splendid facilities, fine machinery and we can see it going to destruction.

"We have prepared a letter and expect to call a meeting of creditors, but hesitated for fear some creditors might misunderstand us—what shall we do?"

I did not seem to hear them, so they repeated the question. The revelation jarred me, and I had been doing some hard thinking. I decided the first move would be to investigate the business from a profit-making viewpoint.

Did the business really make a profit in nine months? That was the uppermost question?

I asked for the general ledger, analyzed the accounts, discovered that a profit had been made on production and a reasonable net profit for the period. They had kept their capital intact and had earned something.

I drew off a balance sheet and there located the trouble. The management had made a great error in investing all their capital and more in fixed equipment, new machinery, and a beautiful commodious building, but not a dollar did they provide for the payment of obligations.

Having determined that they were engaged in a business in which a substantial net profit was proved, I destroyed the letter, and said: "Gentlemen, we will endeavor to meet the troubles one by one. Issue notes, payable in two, three or four months and I will visit the bank." With my data in hand I was able to convince the president of the bank that it would be folly to press the concern. He examined the figures I presented and consented to accept renewal of notes.

I then consulted four creditors most heavily interested who also renewed; some reluctantly others willingly.

On the following day, Friday, I had a further conference with the officers of the company and told them that the business needed new capital, and it must be provided very quickly, so advertisements were placed in the papers and the answers referred to me.

Without binding ourselves to pay fabulous salaries to men who had money to invest, we interested two men to the amount of \$20,000, and the following Monday morning \$5,000 of this new

capital was deposited in the bank, with which many of the smaller creditors were paid.

I have had many experiences in constructive credit work, but this is the quickest case that has been doctored from my office. The profit that was shown on the business that was done gave me the confidence and enabled me to convince all concerned that the business was worthy and would be successful with the help of capital.

The following Wednesday I called at the office again. The president was there but appeared to be the weakest looking man I had ever seen. He said he felt as if he had been near to death, the excitement, loss of sleep, suspense, fear of poverty had so enveloped him that it might be compared with a heavy pall that was slowly and quietly lifting itself.

I patted him on the shoulder and asked him whether he knew he was on "easy street"; he said he did, but it did not seem to relieve him. Before I departed I repeated what I had said nine months before, and I added this:

"Pass a resolution at the next meeting, making it necessary to have the board's consent for any expenditures for plant, or repairs of a permanent or semi-permanent nature that will cost over \$50. That will be the check on the mania you have shown for fine furniture, fine machinery and fine buildings, and when your physical condition permits, call at my office and I will show you how to prepare a budget that you will know what your cash requirements will be month by month."

In this case my fellow credit men came frightfully near suffering a loss of forty thousand dollars. It is not necessary to thank me, my thanks are in the knowledge of the fact and the belief that many more credit departments similar to mine are practicing this up-building policy.

### THE PARABLE OF THE SACK OF PEANUTS.

BY COURTESY OF T. B. EARL, TOLEDO, OHIO.

Commerce is a science and some men have an inborn talent for it. It asserts itself in unexpected quarters, just as we often hear of a child over in a poor district with an inherent talent for music or drawing.

Here is a story told by a man from the credit department of one of the St. Louis hardware jobbing houses which illustrates the point:

"We had extended a rather liberal line of credit to a young man who had opened a retail hardware store in one of the cities further west. He had always bought in large lots, taking advantage of the quantity prices. As time went on he became further and further apart in his settlements and finally began giving notes. We were not particularly concerned, for our travelers in that territory learned that he was backed by an uncle, a large real estate owner in that city. But when he failed to meet one of his notes, I resolved that it was time for me to make a personal visit.

"I found a frank, ambitious young fellow with large ideas and also a large stock that he had failed to move. He made a

clear statement of his condition, said he had urged his uncle to advance the cash to tide him over, but had met with steady refusal, and finally suggested that I see the uncle in his behalf.

"I found the uncle, a native-born Italian, a little, stocky man, kindly, but not in the least emotional.

"I explained my mission.

"No," was the only word of response, and I never heard a more decisive 'No,' and he made it still more effective by a long silence which followed under the glare of his steady black eyes. He finally broke silence with these words and a defiant little nod between each:

"Let-him-fail."

"I tried to make clear to him the frightful cost of bankruptcy, but at the end of each of my statements came the same words like a minor keyed refrain:

"Let-him-fail,"

"Then there was another long silence. I was convinced the nephew was honest,—likewise the uncle, and I couldn't quite see his move. The Italian caught the puzzled expression, smiled, dropped his head, fixed his eyes on one spot on the floor and in a voice with a peculiar lowering inflection at the end of each sentence which was almost dirge-like in its effect, he explained by telling this story:

"When I land in New York I have just five dollar. I buy a basket, some fruit, I peddle the fruit, I make little money. I keep this up 'till I have money to buy me little stand. I sell more fruit, I make more money. Then I buy me peanut roaster and a sack of peanuts. I buy 'em for two dollars a sack. I sell 'em so I make dollar on every sack,—I sell sack every week.

"One day a feller he come along, and he say: 'Tony, you sell lot of peanuts, let me sell 'em to you,—I sell 'em cheaper. The feller where you buy 'em, he buy 'em from me,—I ship 'em up from the South. I sell 'em to you for dollar and a half a sack, but you can't buy just one sack, you got to buy fifty sack at a time.'

"All right,' I say, 'I got the money.' I get the fifty sack and put 'em in my house,—I make fifty cent a sack more. Then I have two, three bad day,—I don't sell any fruit, it spoil, I have to go to the man where I buy my fruit and ask him for credit. I don't get as good fruit as when I pay cash. I pay up, I sell all the peanut. But I don't make as much money as when I pay two dollar for my peanut. I think about that. The fellow he come around for another order for fifty sack, but I don't buy any more that way,—I get 'em one sack at a time.'

"At this point the Italian looked up. He felt that I understood.

"Have you told your nephew that story?' I asked.

"Yes, but he think he know it all,—let him fail. He don't buy ten keg of nail, he buy whole carload. He don't have any money to make money,—he can't pay his bills.'

"Let him fail, it cost money to have him fail, but he won't learn any other way,—it worth all it cost. After he fail, I start him up again.'



"This story and this trip," continued the credit man, "has been worth many thousands of dollars in establishing sound policies in our house and for our patrons. Most of the mercantile failures are the result of over-buying, and over-buying is the result of over-selling on the part of over-zealous salesmen.

"To sell all you can, just because you can, is often a superficial policy.

"This is what I learned on that trip. On my return to St. Louis I told the peanut story to my people. I put it up to them, and as a result we started a campaign of education against over-buying. We have been telling our trade to buy often and buy light,—to let us carry the stock which is our function as jobbers.

"Money in hand is worth more than stock on the floor.

"As a result of this policy we have had but few failures, and collections are generally better with us than is generally recognized as being normal in our line.

"Education of a trade to light and frequent buying is mutually profitable; it not only enables the merchant to turn his money quicker, but it protects the jobber against the manufacturer's salesman who make bi-annual trips and offer the retailer price inducements for quantity buying.

"With our large force of salesmen who make frequent trips over a territory we have the natural advantages over the occasional trip of the manufacturer's salesman,—light and frequent buying is not a disadvantage from the standpoint of either the jobber or merchant.

"And it all came from the parable of the peanut."

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### Sell the Man That's Got the Grit.

Sell the man that's got the grit, especially when it is your mother-in-law who has awakened the show of grit. This seems to be the moral of an incident told by a Kentucky member in the following sketch:

It appears that a salesman for a manufacturing house who had taken an order from a Kentucky mountaineer voluntarily countersigned the contract in order to make it stronger. The manufacturer thereupon wrote his employee that he had an unfavorable report upon the mountaineer customer and gave warning that he had better protect his interests. The salesman came back:

"I have known this man for about ten years and he is worth not less than \$2,400, and if he did not have half that much, I would back him up in this deal, as I know him to have grit enough to back up his work. He shot at my mother-in-law twice and knocked her down once, and would have done more if they would have let him."

Presumably the thought in the salesman's mind was that the man had grit enough to collect the money for the goods he sold and that he would collect it even if it was necessary to kill the man or woman who owed him, and the salesman, knowing perhaps from sad experience what nerve it took to face his mother-in-law, was ready to be his backer for anything reasonable.



## **The Practice of Filing Claims Against a Bankrupt's Estate Directly with the Referee, Results in Serious Losses to Creditors.**

E. H. CHANDLER, REFEREE IN BANKRUPTCY, ATLANTIC CITY, N. J.

It is a mistake on the part of creditors of bankruptcy estates to file their claims direct with the referees. Concealed assets, fraudulent transfers and illegal preferences enter into a considerable percentage of bankruptcy cases and referees while suspecting the existence of one or more of these conditions lack the time, facilities or incentive to investigate; usually, local commercial attorneys, by reason of their familiarity with the previous credit standing of bankrupts, have positive information which would enable them to bring the true facts forcefully to the referee if they were given an interest in doing so.

Attorneys representing a minority of the creditors of a bankrupt estate find it extremely difficult to persuade their clients to incur the expense of an investigation which, if it results successfully, brings greater benefit to the majority which has not contributed to the expense than to the minority.

The creditors who file claims directly with referees act on the presumption that local attorneys representing creditors will act as watch-dogs for the interests of all. Some years ago, before the operation of the bankruptcy act was as well understood as it now is, rarely did the referees receive claims directly from creditors, but now a large percentage is thus filed and not over 10 per cent of these is in proper form.

It not infrequently happens in the writer's performance of a referee's duty to receive a monthly statement with a note attached requesting, "Please file and look after our interests." Claims based upon promissory notes or other written contractual obligations are sent in with copies attached (sometimes), or mere reference made thereto; claims with power of attorney directed to the referee; claims unsworn to or with the jurat otherwise irregular or deficient; claims attached to the common form of affidavit required to prove a book account, to prove a claim in the orphan's court, or to verify a claim for payment by a municipality. In every such instance these "claims" must be returned and require a letter of explanation or instruction from the referee.

About one creditor in a hundred who files claims direct on an acceptable form completes the proof by endorsing the claim; ninety-nine leave the endorsement in blank for the referee or his clerk (if he is fortunate and wealthy enough to have one), to fill in. No inconsiderable number of such claims is bundled into the envelopes without attaching the itemized statement, leaving this work also for the referee to perform. Frequently the itemized statements read like this, "A. B. to the Bon Ton Stores, Dr.," and the proof is signed by "John Jones" or "Simon Abramowitz" without any explanation to connect one with the other.

Referees are human, usually busy men and naturally cannot be expected to evince a very lively interest in creditors most of whom are so indifferent about their affairs; consequently they

do not volunteer to act as detectives or advise creditors of suspicious circumstances connected with bankruptcy failures.

Outside of the great cities the referees are lawyers in active practice and they perhaps will take the time and seek the opportunity to consult and advise with their fellow members of the bar who are known to them as representing creditors in bankruptcy cases of any suspicious or fraudulent circumstances surrounding the failures. They will not do this for creditors unknown to them, in whom they have no interest, and who, on their part, manifest no interest in their own affairs.

Two concrete examples may be instructive: In a recent case referred to the writer, a local attorney representing large creditors' interests was urged to advise his clients to make a fight to discover and disclose presumably concealed assets; the attorney did so with the result that the bankrupt was forced to turn over \$10,000 to the trustee out of which the creditors received a dividend in excess of 25 per cent.

In another case conveyances of real estate by the bankrupt to his father had been set aside as having been made in fraud of creditors and without consideration because the prosecuting attorney in this proceeding represented a majority of the creditors.

In neither of these instances would these results have been attained except through the efficient work of the attorneys who had been given an interest making their efforts worth while.

When the bankruptcy act is amended to permit those creditors who contribute to the expense of the effort required to recover concealed or fraudulently transferred assets, to have a preferred lien on such recovered assets, to the exclusion of non-contributing creditors, creditors of bankrupt estates will awake to their real interests and file their claims through local attorneys. In 50 per cent of the cases in the writer's jurisdiction, creditors would thereby realize largely increased dividends upon their claims.

### **Snap Judgments in Accepting Composition Offers.**

Many interesting answers have been received by the National office in response to a communication it forwarded to creditors in a specific case, urging postponement of acceptance of a composition offer made by an attorney until in an examination, then in progress, certain clues revealed by superficial examination had been run down.

The Association in its letter urged postponement, not because it could assure of a return better than the composition, but because snap acceptances of composition offers are demoralizing in principle, and the case in hand gave an opportunity to clear the atmosphere in a branch of trade and manufacture particularly needing it.

The creditors were, for the most part, small, struggling concerns, not members of the Association, owned and managed by men, from whom one would not expect pronouncements of high ethical tenor, but the communication not only received general response, but cordial acceptance of the principle sug-

gested. One comparatively small concern wrote that it had always been its policy to ascertain the intentions of the bankrupt because the concern had gone on the principle that every man who had been honest and had met with unfortunate reverses should be given a chance to make another trial; but where elements of dishonesty appeared in the transactions of the bankrupt, the concern was not only willing to lose the entire amount, but, if necessary, to contribute additional sums to make the bankrupt an object lesson. The letter said further, that the concern recognized its duty in helping to strengthen standards in its particular line.

These are sentiments from a small concern, conducted by men of foreign birth who have struggled up from the lowest ranks. They have given an example which many long established American concerns may well emulate.

### Two Cases Reeking With Fraud of Much Import to Credit Grantors.

THROUGH THE RELENTLESS ACTIVITIES OF THE ST. LOUIS ASSOCIATION TEN OF THE LEADERS IN THE GREAT WESTERN JOBBING HOUSE SWINDLE HAVE COME TO TRIAL, SIX MAKING CONFESSIONS AND FOUR BEING CONVICTED.

The great million-dollar swindle, that of the Great Western Jobbing House, of St. Louis, Missouri, with its numerous ramifications, the early history of which was set forth quite fully in the February, 1914, BULLETIN, came before the United States District Court the first week of the present month, with a large number of witnesses, the principal being Charles L. Greenfield, a self-confessed member of the swindle and the government's star witness in the prosecution of ten men on charges of conspiracy and using the mails to defraud. Greenfield testified that in the chain of stores connected with operations of the gang \$30,000 of goods were obtained on false credit statements for the St. Louis link alone.

As reported in the February, 1914, BULLETIN, Greenfield, with his associates, conducted the Great Western Jobbing House, which filled its store with two thousand empty boxes, established an immediate credit by a considerable deposit in a local bank, issued false financial statements, and then began selling the goods in large quantities at low prices to the members in the conspiracy. Most of the goods went to Philadelphia, but part were disposed of in St. Louis; the Great Western Jobbing House received for its \$30,000 of merchandise, in net wholesale prices, not more than \$15,000 or \$17,000, less the expense of carrying on fake stores and freight charges.

Greenfield testified that his net share of the spoils was something less than \$3,000, and the other members of the St. Louis gang divided the balance in various amounts. The goods disposed of in Philadelphia were sold at a discount of from 30 to 40 per cent of cash wholesale invoice prices, and those disposed of in St. Louis at nearer their full wholesale figure. While some of the merchandise obtained on bogus credits, he said, was sold to St. Louis department stores, the biggest consignments went to Alfred Goldberg, Harry A. Cohan, Jacob Lippman and Samuel Bernstein

of Philadelphia; that the buyers for the St. Louis houses knew nothing as to how the goods were received, they simply taking advantage of a bargain without grounds for suspecting that anything was wrong.

Greenfield testified that goods sent to Philadelphia had been under fictitious names, such as Potash & Perlmutter, but some consignments were sent to Bernstein and Lippman before warning was received from Bernstein that fictitious names must be used in future. Greenfield also testified that he had sent another of the conspirators, Meyer Rothman, to Kansas City, where he opened a store, furnished with goods sent from St. Louis, and that after staying a short time, he returned to St. Louis, closing the store.

There was introduced as a witness the stenographer at the Great Western Jobbing House, who testified as to muffled conversations between the conspirators, told of her having written letters as instructed to long lists of merchants, furnished largely by Bernstein, for the purpose of securing credit. The letters were dictated by Greenfield and another conspirator, Brown, and gave as references frequently Lippman and Bernstein of Philadelphia.

C. D. West of the adjustment bureau of the St. Louis association, to whom more than anybody else is due the credit of securing the evidence in the case, testified that he had been appointed trustee in bankruptcy for the Great Western Jobbing House, and as such visited the storehouses of Bernstein and Lippman, finding there large quantities of goods which bore the name of the Great Western Jobbing House, and that his letters to credit men had brought him a letter written to a factory by the Great Western concern, in which Bernstein and Lippman had been named as references.

There was testimony from Steinhart to the effect that Cohan, Goldberg and Lippman had come to St. Louis and had re-purchased at large discounts goods bought by the Great Western Jobbing House but never paid for by it, and that Cohan and Goldberg had allowed their names to be used as references, and Lippman and Bernstein, besides doing this, had furnished names of manufacturers and jobbers from whom merchandise might be purchased. Steinhart testified further that Lippman and Cohan had tried to bribe him to give testimony that would offset that offered by Greenfield, who styled himself "the brains of the conspiracy," and the "ring-leader of the bankruptcy trust," but Steinhart, like Greenfield, turned government informer.

There were many other witnesses, including draymen, clerks, government officials, the testimony of each tending to strengthen greatly the government's case. As the BULLETIN went to press word was received of the confession of six and the conviction of four conspirators. The sentences had not been imposed by the court at the time of going to press.

#### CASE OF GEORGE S. BADDERS, TOPEKA, KANSAS.

A message which gave special satisfaction to the National office last month was that received from the attorneys in charge of the prosecution of George S. Badders of the Badders Clothing Com-



pany, of Topeka, Kansas, to the effect that he had been sentenced to serve five years in the Federal jail and to pay a fine of \$7,000 and costs. The verdict of the jury was that Badders was guilty on seven counts under the Federal statutes with reference to the use of the mails to defraud.

This is, perhaps, the most important prosecution in which the Association has interested itself, except, of course, the Great Western Jobbing House failure, which still stands as the first among the big swindles in the history of commercial fraud. These two cases give answer to the contemptuous question that comes to the lips of the hardened commercial crook—"What are you going to do about it?"

Badders, who had a legal education, purchased an interest in the Marshall Clothing Company of Topeka, November, 1911, with a capital stock then of \$60,000, which was reduced to \$25,000 and the name changed to Badders Clothing Company. For the year ending December, 1912, the company suffered a loss of approximately \$1,000, and the largest creditor, the Stein-Bloch Company, of Rochester, N. Y., called attention to the impairment of capital stock, following which it was increased \$10,000, which sum was paid to the principal creditors. The increase of capital was credited on the books to George S. Badders as paid in full.

In May, 1913, Badders hastily called two of his clerks, who were members of the board, to the basement stock room of the store and announced that the board would declare a dividend of twenty-five per cent, and increase the salary of the president, in addition to what he was then getting, by an additional \$5,000 per year, and would also pay Badders twenty-five per cent commission on the sale of \$10,000 recent increase of capital stock and fifteen per cent commission on sales in excess of \$50,000 per year, and the secretary five per cent on such sales. No record was made of the meeting.

In June, 1913, Badders circulated subscription lists among prominent people in Topeka, containing pledges for stock subscriptions. Badders represented that he did not need their money but wanted the good-will of his fellow townsmen, and personally guaranteed an annual six per cent dividend.

In October, 1913, Badders endeavored to sell out his business and at that time stated that he had lost about \$5,000 and found he did not know much about the clothing business. About November 1, 1913, there was owing to Stein-Bloch Company about \$16,500, largely past due, and Badders personally owed the same company about \$6,800. A contract for extension of payment to begin in November was agreed upon. In November Badders assigned his book accounts to the Bank of Topeka and received credit for \$5,000 in his bank deposit account. This assignment was to secure the \$5,000 and the remainder of his indebtedness to the bank, then about \$11,000.

About that date Badders admitted his indebtedness to be about \$43,000, but claimed merchandise stock of \$60,000. In the middle of November, 1913, Badders and the secretary of the company signed certificate of increase of capital stock to \$60,000, reciting that the same had been fully paid in and was subscribed by Badders.



This had been accomplished by Badders giving the company his unsecured note for \$25,000.

The following day Badders started east to buy goods and was gone about two weeks. He knew that the mercantile agencies would visit the Secretary of State's office and obtain information concerning increase of capital stock and that by the time he reached the eastern markets the news would have reached the trade. After buying some goods in Chicago, which were shipped upon the basis of mercantile agency reports as to increase of capital, Badders went to Rochester and then to New York, ordering there \$20,000 worth of merchandise.

At Chicago Badders had cashed a draft which he had bought at Topeka for the sum of \$2,000, and at New York a draft for \$3,000, part of the proceeds of which were used to strengthen his credit in the New York market. He also strengthened his credit by reference to Stein-Bloch Company, having paid the first installment of \$2,500 credit extension just before he had left Topeka.

At Rochester, on his return trip, he ordered \$12,000 worth of merchandise, and arriving in Topeka November 24th, issued letters to all he had owed before he had gone east, asking them to extend their accounts until December 20th, without loss of discount.

He had an arrangement to make daily reports to his principal creditor, Stein-Bloch Company, but these reports ceased to be made December 1, 1913, and it was found afterwards that many of the reports made had been incorrect.

December 1st Badders sent his buyer to Kansas City and Chicago to buy some goods, writing the buyer, Boyd, not to be afraid to buy. Boyd followed this instruction for he ordered many thousands of dollars worth of additional goods, which were shipped. November 29th Badders wrote all his creditors of date prior to November that he had completed plans for increasing capital stock by the sum of \$25,000, that the amount had been subscribed and that payment would be made by December 20th. December 3rd he issued a circular letter to all creditors, stating that his store would be closed for a few days and sensational advertising that the concern was on the verge of bankruptcy was begun.

About this time the same so-called board of directors met in the stock basement and Badders proposed the declaration of another dividend of twenty-five per cent. Again no record was kept of the meeting.

He arranged for a cut-rate sale, which ran from December 2nd to December 24th, during which period the sales amounted to \$35,000. He mailed to various stockholders, Topeka citizens whom he had induced to subscribe to his additional capital stock, personal checks for the amount they had subscribed, plus three per cent, the guaranteed profit, and those who had given notes had their notes cancelled.

During December Badders was pressed by many creditors, and he wrote one of them asking indulgence until December 20th, declaring that his sale, together with the increase of \$25,000 capital stock, available after December 20th, would enable him to anticipate his bills, and many similar letters were written other creditors. Also, in December he packed up some of his best

clothing and had it sent to the basement, packed in boxes, and hauled to a warehouse; had six boxes packed and sent to fictitious persons in St. Joseph, Missouri. Between December 5th and 22nd the Badders Clothing Company deposited in the bank of Topeka only about \$9,300. They checked out on December 22nd \$6,000 in cash drawn by Badders, and the remainder, about \$5,000, then on hand was checked out in cash during the preceding week, leaving a balance in the bank of \$91. On December 24th there were shipped to Kansas City eight more boxes of merchandise under fictitious names. During the last week in December and the early part of January, 1914, claims were coming rapidly into the hands of attorneys, and creditors were writing and wiring for payment promised December 20th. Badders refused to make any statement of his business affairs, refused to pay creditors, told everyone that he would pay soon, or after the first of the year, that he was getting out a statement and that he would soon let his creditors know what he would do.

He began to issue checks against non-existing bank balances. All moneys went to take care of Badders' immediate friends, his father-in-law, who was former manager, receiving, about the last week in December, at his home, \$5,000 in currency to take up a note of \$5,000, and within a week thereafter Badders paid Byers \$6,500 in money. Byers did not put the \$11,500 in a bank but kept it in a trunk in his room, notwithstanding the fact that at the time he was a director in a bank at Horton, Kansas, where he had a deposit account.

A trial balance was taken off the books shortly after January 1st, showing mercantile indebtedness of \$70,000, and when the receiver took possession he found practically no records except a ledger, the other books and documents having been taken to Badders' house, even to the stock books. The bookkeeper and cashier testified that in December there was a voucher to Badders personally for \$5,000 for additional salary and vouchers for other large items, probably dividends, and the ledgers showed that there were entries for such figures as \$2,500 commission on the sale of \$10,000 increase of capital stock issued to George S. Badders, in May \$2,500, representing five per cent commission to the secretary, \$8,000 commission for sales over and above \$50,000 for the president, two dividends, one of twenty per cent and one of twenty-five per cent, aggregating \$17,000, the aggregate being an excess of \$40,000 paid in currency in December.

In March, 1914, the Stein-Bloch Company, having a large claim against Badders, filed an involuntary petition against him, and at the April term of the United States District Court the Federal grand jury returned a true bill charging him with using the mails in furtherance of a scheme to defraud. One hundred witnesses were summoned, principally from New York, Chicago, Syracuse, Rochester and Philadelphia.

Though represented by able counsel, Badders is said practically to have handled his own case. An interesting incident which was used to continue the trial was the stealing of two cases of papers which were in charge of the receiver in bankruptcy, but the motion to continue the trial on these grounds was overruled.

Badders' defense was that he did not concoct a scheme to defraud, that he did not use the mails for the purpose of fraud, that his sales were made in good faith, that he had at all times intended to pay his creditors, but that certain of his creditors had hounded him personally and through attorneys so that he concluded to protect his friends and his family, paying them as well as his local creditors. He admitted that he was guilty of misappropriation of the funds of the corporation, but denied that he was guilty of using the mails to defraud.

Much credit is due in this case to the efforts of the Stein-Bloch Company, especially its representative, George C. Guggenheim, who were determined that no effort should be spared to make an example of this case.

Large credit is also due to the creditors' attorneys, McClintock & Quant of the Topeka bar, who unravelled a case of great intricacy and met and overcame the skillful defense of Badders.

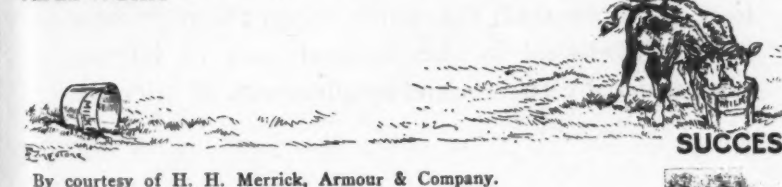
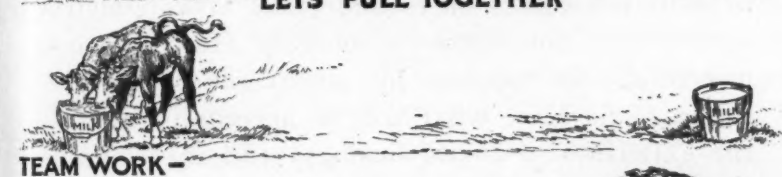
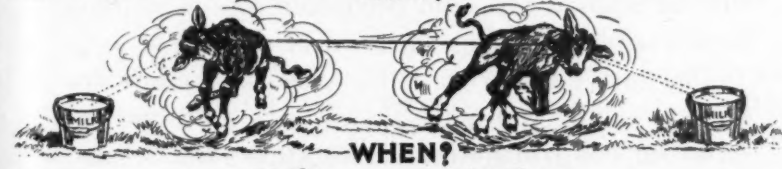
### The Big Political Development of the Next Decade.

The January meeting of the New York Credit Men's Association presented the occasion for a strong editorial in one of the leading New York dailies, under the heading "Business men a force in politics."

From the meeting, with its seven hundred men present, the editor draws the conclusion that the big political development of the next decade is to be the rise of business men as a great, positive force in the administration of the nation's affairs. They are, he says, to enter at the front door and not stop at the lobbies, slouching in the dark corners; are not to act by stealth, but to work in the open, work before elections rather than after them, addressing themselves to the public not to the politicians. Big business, he says, is not to dominate the movement, nor is the work to be done through the wealth of corporations but through individuals, men who earn their daily bread in the stern school of commerce, industry and finance,—taxpayers, householders and fathers of families.

So long as "big business" and "high finance" had much to hide, he goes on, so long as they were vulnerable to political blackmail, they could not face the voters openly and straightforwardly but had to "see" political grafters. But a new era is being heralded in, a brighter day has dawned, as one of the speakers at the New York meeting said, and business men are to do their part as never before in making our governments,—state, national, county and municipal, jibe with economic law.

The leaders of the National Association of Credit Men in the various states have been receiving a schooling in legislation. In their endeavors to improve business law and its administration, it is safe to say that in the whole long line of effort, subterranean passages to reach their ends have never once been used. Their fight for what they believed was best for themselves and best for their fellows, whether creditors or debtors, has always been carried on in the open. Through it all they have received the best possible training for that broader work, which as the New York editor points out, remains for them to do in the years immediately before.



By courtesy of H. H. Merrick, Armour & Company.

## CENTRAL CHATS

THE captain on the bridge of his ship bringing her through the storm is always an object of admiration. The mariner on the seas of commerce guiding his enterprise, upon which the happiness of hundreds depend, through furious stress of circumstances, though not, perhaps, a figure in the public eye, is equally heroic and deserving of admiration.

The last quarter of 1914 witnessed many instances of the commercial captain's skill and we offer our congratulations and express our regard to the business men of the nation who have become figures to reckon with in the world's trade.

The quality that gives self control, defies the stress of circumstances, is the "antithesis of despair and the foe of pessimism. Hope, confidence and courage are the chief elements of this quality and the full expression of their power can urge its possessors on to undertake tasks which would liken the boasted labors of Hercules to molehills. It requires no strain of prophetic vision to perceive what will be accomplished in the extension of sound business and the elevation of commercial standards when the men now being developed in the hardest sort of battles are guided by these chiefest elements of success.



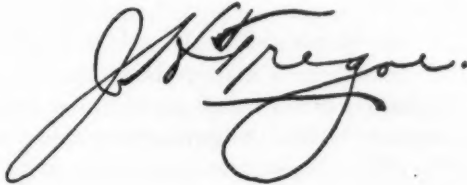
UPON returning to the desk after a tour covering many local association points, this thought frequently comes to mind:

Why is it that so many credit managers and their assistants are not to be found at the business meetings of their associations?

One's power of self development without the inspiration that comes from the ideas and experiences one gets through contact with workers in a similar line, is negligible.

An expert on business efficiency has said, "To the extent that men neglect the theoretical do they lower themselves and class themselves with mere machines and so hasten the day when they shall be discarded."

We know of no better way to stir mind, heart, and muscle to better effort of facilitating expert judgment upon credit granting than in attendance upon business meetings where are presented and discussed credit topics, both from the theoretic and practical standpoint. To neglect these meetings is to neglect an opportunity, and it is our sincere hope that this message may very substantially reduce the list of absentees from their association's business meetings.

A handwritten signature in cursive script, reading "J. H. Tregoe." The signature is written in dark ink and is positioned at the bottom right of the page.

## EDITORIALS

Excuses for typographical and grammatical errors in high-class business correspondence come with bad grace, especially if they refer back to that highly complimentary rubber stamp sentence, "Dictated but not read," used apparently as an apology for haste or obvious mistakes made by the correspondent.

Lithographed, embossed or engraved stationery of the most expensive grade cannot neutralize the effect of words misspelled and ideas misstated, any more than a daintily set table will offset bad cooking. In the course of a week's mail to the National office many such are received, and one cannot but wonder whether their authors have appreciated the inconsistency. By the way a concern speaks through its letters and advertisements it is known. Every letter serves to make general impressions and hence should represent the best product of the concern's ability; it is the personal representative of the house. Attractive orders have been lost because a letter did not look like high-grade goods.

If it be true that promptness in handling correspondence is one of the best of credit and business builders, is it not also true that care in construction and mechanical detail of correspondence is one of the best proofs of an efficient business organization. Does the "Dictated but not read" stamp encourage high-grade work?

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The National office recently issued an appeal to the creditors of a certain bankrupt, asking them to contribute a proportion of their claims for the purpose of making a thorough investigation into very suspicious circumstances surrounding the case. Some of the replies were intensely interesting, one of them in particular revealing a point of view that is not uncommon. It read in part as follows:

"Why should we be asked to contribute in a matter of this kind? If a murder is committed on our streets, is it up to the murdered man's family to contribute a fund to find the murderer? No, the government takes care of that case.

"If an assault is committed in front of our factory, do the friends of the assaulted man contribute a fund to run down the criminal? No, the government takes care of that.

"If my home is burglarized, do I contribute to catch the burglar? No, the government takes care of that.

"A retail shoe dealer sees fit to be a rascal. He cheats his poor creditors, and they must contribute to get him punished."

At first glance the criticism seems justified, but upon analysis it will be found that the cases cited are by no means parallel. In general, it will be found that prosecuting attorneys are ready to act promptly upon receiving adequate proof that a crime has been committed, and this is true whether the crime be one of the more vicious sort, such as murder or burglary, or it be fraud in commercial transactions. Is it not in either case essential to present to the district-attorney clear and satisfactory evidence that a crime has been committed? To be sure, in the event of murder or burglary, upon merely making complaint to a policeman, detectives will be sent to the point to try to pick up any available clues, while if a commercial fraud has been perpetrated, it devolves upon the complainant to gather the evidence at his own expense and present it to the district-attorney.

But there seems to be a valid and sufficient reason for the distinction. In the first place, every layman knows in a general way what constitutes burglary or homicide, and his statement that a crime of this sort has been committed will generally be found true; but, on the other hand, the rules determining what, in the eyes of the law, constitutes fraud are involved and sometimes extremely difficult of application, and as a consequence, the assertion by a layman that a commercial fraud has been perpetrated will often be found utterly without adequate legal ground. Were the state, at its own expense, to investigate every accusation of fraud that would be presented were no adequate proof required of the complainant, who can conceive of a district-attorney's office large enough to take care of the business that would flow into it? Demonstrate to a district-attorney by clear and satisfactory proof that commercial fraud amounting to a crime has been committed, and he will not require of you anything more. The state will take care of the prosecution.

Another difficulty that confronts the district-attorney is the frequent willingness of creditors to accept a settlement of their claim rather than actively to push through a prosecution. A criminal law is not and cannot be made use of for civil purposes. It is not proper that a citizen should be enabled to cause the expenditure of state funds for the sole purpose of frightening a debtor into paying a claim that would not be recovered in a civil action for damages. Long experience in dealing with complaints of commercial fraud has made the average district-attorney extremely suspicious of the motives of the individual making the complaint, and on this

account the evidence which he insists upon must be more convincing than in the case of crimes of other sorts.

The responsibility devolving upon the National Association of Credit Men in helping to remedy the present unsatisfactory condition is one not to be denied or avoided. The relief is in the gathering of a fund to be administered under the supervision of the board of directors and used in conjunction with funds contributed by creditors, who are the ones immediately and primarily interested in making a thorough investigation and laying the facts before the district-attorney.

The object of prosecuting commercial fraud is protection, not only to the creditors immediately involved, but to all other honest merchants in all parts of the country. It is for this reason that it is proper and reasonable that contributions be made from a general fund contributed by all members, interested or not interested in the case in question. Were the bars let down all together and were the expense of every prosecution paid by the National Association's fund, the National office would experience the same sort of trouble that would befall the district-attorney's office under similar conditions. The flow of complaints would soon exhaust the most generously supplied resources. The rule is a wise one, therefore, that no investigation be undertaken unless the creditors themselves are sufficiently interested to make a contribution, and, further, unless they have sufficient proof to warrant them in spending their own money.

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A question in the same category is the very natural one, why should not a court when a debtor is sued upon an account and decision is that the debtor's position is untenable and unjustifiable, impose upon the debtor not only court costs but an amount besides to reimburse the creditor for his attorney and other expenses, for surely the creditor is put to an unfair expense in having to sue to secure what is justly coming to him.

Again, the answer is, consider how this would tend to increase litigation, and public policy is opposed to unnecessary litigation. If a law were passed to relieve a creditor of all expense in connection with collection of accounts through court process, the creditor would resort to the courts before he had made a serious endeavor to collect the account by the usual means, and the debtor would be deprived often of a reasonable opportunity to pay a claim. In short, the number of litigations would be vastly increased.

The theory of court costs, as they are allowed for instance in New York state, is that the amounts so received will tend to hold down the expenses of the party bringing an action and yet be more than sufficient to cover the necessary court expenses.

The theory is that a court shall not be made too easily accessible for a creditor in seeking court remedy for his grievances and that he shall use every effort he can to settle his accounts out of court.

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Despite the fact that political reciprocity between Canada and the United States failed of popular support a few years ago, there is, nevertheless, a genuinely reciprocal intercourse between the credit men's associations of the two political units. Between the two associations and their members are constantly arising occasions to serve each other, and always the impulse to do a little more thorough service for the man on the other side of the border line than would be performed for one's fellow countryman is too strong to overcome, whether it is Canada that is asking something of us, or we asking something of Canada, and this is true whether it be Regina or Toronto that the credit grantor of the United States is dealing with. It is, indeed, just as if the two associations were one physically as well as in spirit, for of the latter there is no question. May the spirit of comity between the two organizations and their members continue unbroken, bearing rich results for the business men of both countries.

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A man succeeds in business in proportion to his appreciation of its romantic side, and this is becoming more true as time increases. The business man without imagination, without conception of the relation of his business to the onward rush of affairs, without an appreciation of the nobility of the struggle for better things in commerce as well as for truth in other fields of endeavor, without a thought of the advantageous position his place in business gives him for service, cannot grow.

We think of the romantic spirit as the monopoly of the armored knight, whose devotion to truth and ideals never fails to stir the breast, but there may be no less of romance in common walks of life, for there may be the devotion to ideals in the knight of the grip, the knight of the credit office, the knight of the stock room, the knight of the store, the knight of the shop, and the number of these is increasing daily as leadership in business is pointing to the truly worth while things in every-day living.

If one finds business humdrum, let him get into the thick of the fight for business ideals, not that this need mean driving roughshod over the obstacles in the path of their realization, but dissolving opposing obstacles, separating and using their best elements in order to make progress more rapid.

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You are going to the Salt Lake City convention and share with your fellows in the great privilege that that meeting-place holds out



for visiting a truly wonderful section of your country. In this trip your desire is to increase your wealth of friendships, knowing that it will give you new power in the various cities of the land. To this end you will take advantage of the splendid arrangements that are being made for the credit men and their friends to proceed together from eastern points to the convention city, thence to the great coast cities, the two world-famed Pacific expositions, with stops at some of the natural marvel points of the country.\*

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**"Come to Zion."**

JUNE 15, 16, 17, AND 18.

Attendance upon the twentieth National Convention of the National Association of Credit Men which assembles at Salt Lake City next June, will not only prepare the credit man to meet better the exigencies of business as they arise in his work, but will undoubtedly afford him broadly educational advantages, such as no previous convention has afforded, for it takes him into a part of his country of which too many have scant knowledge, because while western men all go east, it is a comparatively small fraction of eastern men who go west. There is still a large number of easterners who look upon Chicago as the extremity of western civilization, beyond which only grease wood and sage brush grow, and where the solemn monotony is only broken by the war whoop of the Indians and the mad gallop of the bronco busters.

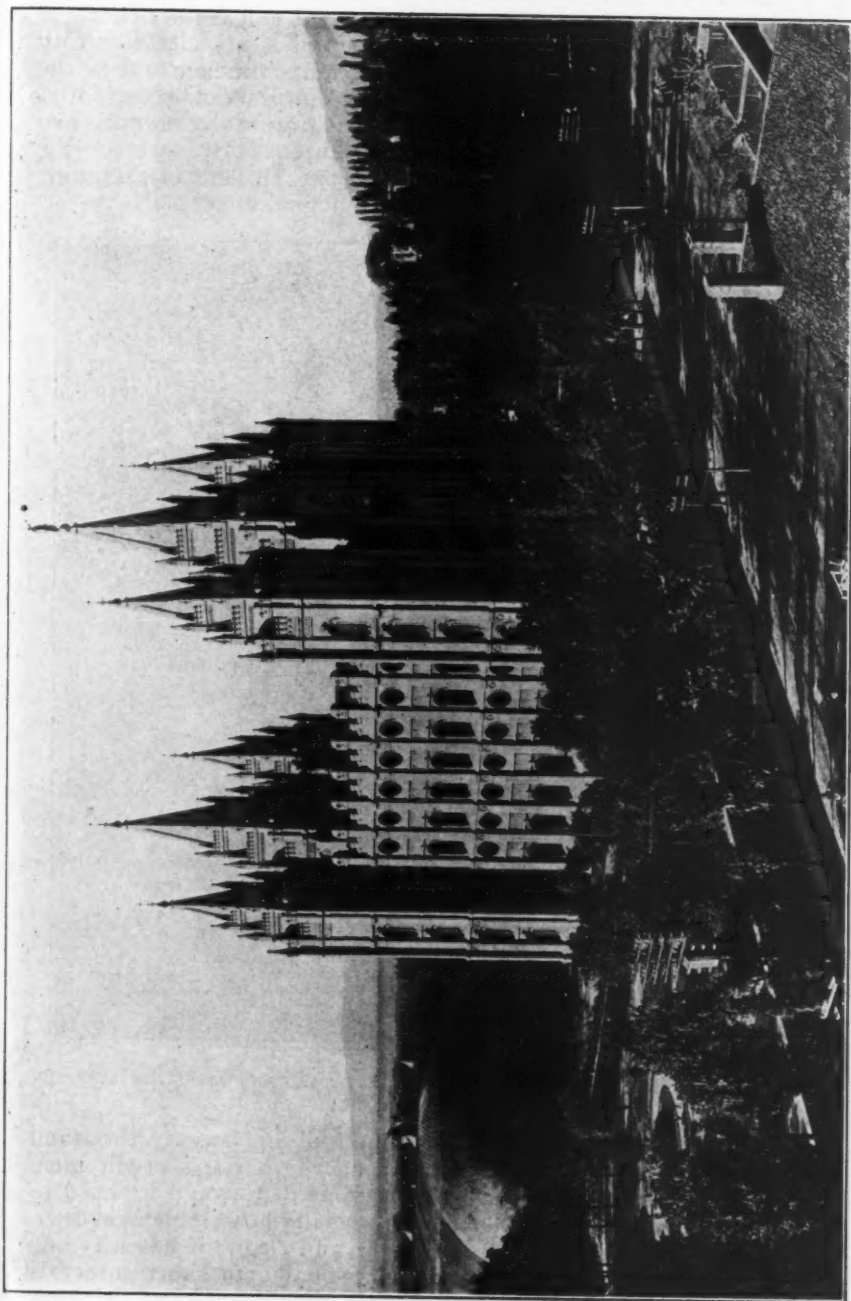
Little has been heard of Utah's wonderful natural beauty, of its towering mountain peaks eternally capped with snow equalling in grandeur the famous Alps of Switzerland, its cañons of charm and mystery, its great land stretches that have yielded abundantly to the patient toil of men. Dimly the easterner may recall the wonderful engineering feat known as the Lucin Cut-Off, that stretches nineteen miles of steel across the Great Salt Lake, reducing by ten hours time the travel from Utah to California, an achievement that cost more than \$6,000,000, which gives the passenger the unique experience of journeying along on a railroad train almost out of sight of land, making him appreciate the railroad slogan, "Going to sea by rail."

Perhaps the state's most famous attraction is the Great Salt Lake, upon whose briny billows the bather can recline as though comfortably upon a couch. One who has not had the privilege of a dip through this wonderful surface, with its 24 per cent of salt, cannot appreciate the invigorating, exhilarating after-effect of such an experience. So stimulating to the appetite is the salty plunge from which one emerges to the sweetest air warmed by brilliant sun rays, that the average epicure would travel for days to obtain it.

The immense Mormon Tabernacle with its great organ and deservedly celebrated choir is always one of the first things to attract the visitor to Salt Lake City, and an oppor-

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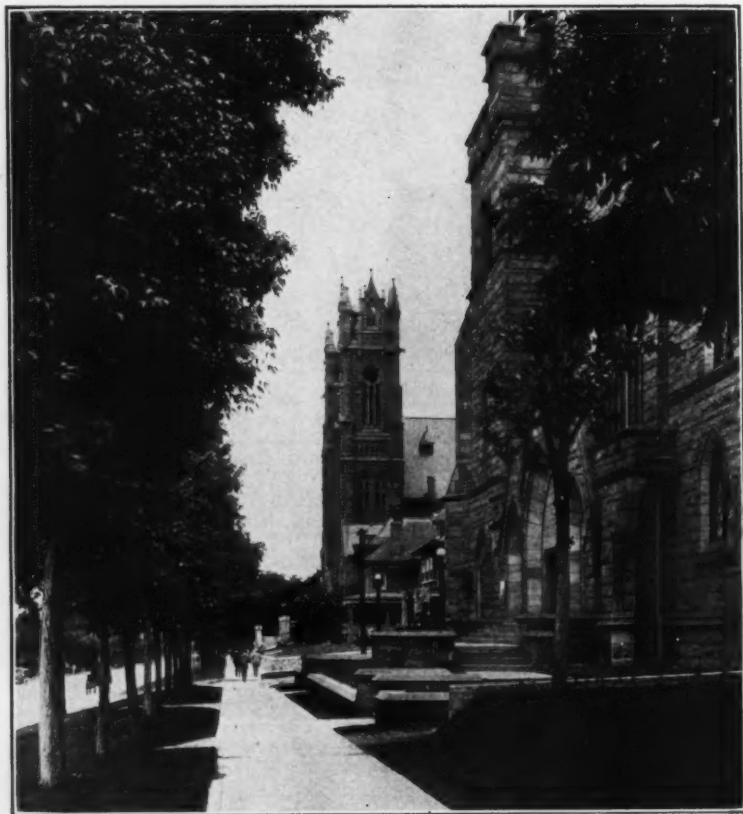
\* Write the National office for information regarding the convention and the plans for transportation.



THE GREAT MORMON TEMPLE—ROOF OF TABERNACLE AT REAR.

tunity will be furnished the convention visitors to hear them in a specially arranged concert.

Utah offers opportunities unexcelled to the tourist, the hunter and the investor. Within thirty miles of Salt Lake City is located the "world's greatest copper mine" known best as the Utah Copper Mine of Bingham. Here is practically an entire mountain of ore in process of disintegration by twenty-two steam shovels. An army of men is employed to care for the vast product of this steam shovel battery. In fact, at this mine ten thousand men gain a livelihood.



EAST SOUTH TEMPLE STREET, ST. MARY'S CATHEDRAL AND FIRST PRESBYTERIAN CHURCH.

Salt Lake City, with its one hundred and twenty thousand population, stands open now awaiting the nation's credit men. For unstinted whole-hearted entertainment it would be hard to find their equal even among the proverbially hospitable westerner.

Salt Lake City's streets are wide and clean; it has fifty-one miles of broad paving, nearly all asphalt; at short intervals throughout the business districts are placed sanitary drinking fountains that bubble with ice cold water flowing direct from snow-capped mountain tops; its sunshine and sky is like that of Sunny Italy; its climate is temperate; even after a mid-

summer day a wrap is appreciated in the evenings. The great state of Utah boasts of three hundred and sixty-five days of glorious sunshine for every year. Its women are beautiful, its men generous.

No convention city ever had a more picturesque or more magical setting than Salt Lake Valley,—surrounded by its towering mountains, symbolizing the stalwart and sturdy manhood of its residents,—the lofty peaks of snowy whiteness glistening in the sunlight suggestive of the purity of Utah's daughters.

All Utah is extending the invitation "Come to Zion."

### **Transportation to Convention Plan Offers Rare Opportunity.**

From now till June we shall have much to say regarding the next convention, to be held at Salt Lake City, June 15-18, 1915. The desire is that so far as it is possible delegates and their friends journey to the convention together, whether or not they take advantage of the facilities for the longer trip to the coast, which many have already declared their intention of taking. Those who have attended one or more of the conventions of the last few years know how important the social side is, yet the social features have had to be crowded into comparatively few hours. The trip mapped out opens up the best possibilities of cementing valuable friendships that our conventions have yet offered and it is hoped it may be largely taken advantage of.

Business associates and friends of members who are not in the credit department, but plan to go to the coast this year and wish to do so with maximum of comfort and convenience are invited to join in the trip. General expressions as to the intention of members who plan the Salt Lake City or Pacific coast trip will be appreciated, for the desire is to get a line on the probable number who will go. Approximate cost from points other than New York will be sent on request.

### **\*Two Important Conferences on Bureau Work of the National Association of Credit Men.**

The annual conferences of Adjustment and Credit Exchange Bureaus were held at Chicago January 19 and 20, 1915, and attended by the following delegates of local bureaus and representatives of the National Association:

Edward A. Pillsbury.....	New Orleans, La.
W. M. Coulter.....	Baltimore, Md.
S. N. Woodard.....	Norfolk, Va.
Charles D. Breon.....	Oshkosh, Wis.
R. N. French.....	Kansas City, Mo.
W. E. Taube.....	Omaha, Neb.
J. K. Schnaitter.....	Cleveland, O.
M. L. Orear.....	Kansas City, Mo.
J. W. Chilton.....	St. Louis, Mo.
C. J. Seidensticker.....	Sioux City, Ia.
Harry I. Hunt.....	Newark, N. J.

\* The remarkable conference of the Tennessee Credit Men's Associations held last month will be outlined in the March BULLETIN.

Fred A. Brown.....	Toledo, O.
George A. Trite.....	Duluth, Minn.
M. E. Garrison.....	Wichita, Kan.
C. W. Hammond.....	Columbus, O.
J. J. Lenihan.....	Cedar Rapids, Ia.
C. J. Mulvey.....	Chicago, Ill.
H. R. Bridgman.....	Buffalo, N. Y.
J. A. McKee, Jr.....	Philadelphia, Pa.
L. D. Jaseph.....	Green Bay, Wis.
W. C. Lovejoy.....	New Orleans, La.
Walter Wright.....	Salt Lake City, Utah.
R. J. Cleland.....	Grand Rapids, Mich.
S. F. Wetzler.....	Milwaukee, Wis.
Isaac Petersberger.....	Davenport, Ia.
A. C. Ellis.....	Pittsburgh, Pa.
T. C. Keller.....	Cleveland, O.
Charles Knorr.....	Wichita, Kan.
C. F. Hoerr.....	Chicago, Ill.
S. J. Whitlock.....	Chicago, Ill.
M. C. Rasmussen.....	Chicago, Ill.
L. J. Walsh.....	Chicago, Ill.
I. M. Freiburg.....	Cincinnati, O.
John P. Galbraith.....	St. Paul, Minn.
O. H. Cleveland.....	Memphis, Tenn.
C. L. Williamson.....	Lexington, Ky.
D. L. Sawyer.....	Milwaukee, Wis.
L. C. Sadd.....	Pittsburgh, Pa.
B. G. Watson.....	Columbus, O.
Geo. H. Wright.....	Duluth, Minn.
F. E. Alexander.....	Chicago, Ill.
Lawrence Whitty.....	Chicago, Ill.
C. T. Hughes.....	San Francisco, Cal.
C. P. Welsh.....	St. Louis, Mo.
C. R. Dickerson.....	Chicago, Ill.
F. R. Salisbury.....	Minneapolis, Minn.
J. H. Tregoe.....	New York, N. Y.

Presiding over the conference of adjustment bureaus was J. P. Galbraith, manager of the Northwestern Jobbers' Credit Bureau of St. Paul.

The first subject under discussion was the kind of instrument under which estates are liquidated under amicable arrangements. It was brought out that the bureaus handle a great many amicable settlements during the course of a year, especially in cases suffering temporary embarrassment. There was much dissimilarity among the bureaus as to the forms of agreement used between trustee and debtor and trustee and creditors, and it was voted that the National office be requested to secure from all adjustment bureaus copies of all forms used in friendly adjustments and that these forms be considered by a committee with a view to securing, so far as state laws permit, uniformity of instrument.

Upon the subject of the release of a debtor for the balance of his obligations in an agreement between debtors and creditors in friendly adjustments, it was the sense of the meeting that, so far as is practicable and allowed by the states, the adjustment bureaus



adopt a uniform instrument for the amicable adjustment of insolvent estates and that such instrument embrace the provision that the debtor be released from his further obligation upon turning his estate over to the trustee if, in the judgment of the trustee and creditors, he is deserving of such release.

Upon the subject of satisfying creditors who levy against estates in friendly adjustment, the conference agreed that it is reprehensible to settle with such creditors at a percentage better than is secured by general creditors, though such creditor who withdraws suit might properly be reimbursed for expenses in connection therewith. The following rules were adopted:

I. That in amicable adjustments a creditor refusing assent to such adjustment should not be given preference over other creditors.

II. That if, under peculiar circumstances, the debtor waives the release of any creditor, all other creditors be notified of that waiver before distribution of assets.

On the question, how to treat creditors as to goods recently shipped to the debtor, it was concluded that when the goods had been delivered to and accepted by the debtor prior to the execution of the trust agreement, they should be retained.

On the question, when the business is continued how goods are purchased and from whom, it was the sense of the conference that all purchases should be made directly by or under the control and supervision of the adjustment bureau and, so far as possible, purchases made of creditors in proportion to their indebtedness, always with the understanding that such purchases are made at the lowest possible market prices.

On the subject of the installation of an accounting system and the nature of it, the conference expressed the opinion that there should be immediately installed in a concern under friendly adjustment a system whereby the condition of the business might be ascertained daily. It was voted that for the purpose of evolving a practicable and useful plan a committee of five from the adjustment bureau managers be appointed to work out during the year a system to be referred to the adjustment bureaus for their consideration and adoption.

Upon conduct of sales of assets there was disagreement in the conference, sixteen expressing the opinion that generally better returns can be obtained from the sale of stocks at private sales. Five voted for open public sale.

On the subject of making collections in adjustment cases, the expression of the conference was that generally the sale of receivables in bulk is disadvantageous to creditors and debtors and that best results with receivables can be obtained through a representative of the bureau operating for the collection of these accounts where possible.

Upon the question of the attitude of a trustee or adjustment bureau as to compromise of composition offers, it was the sense of the conference that compositions in and out of bankruptcy should be thoroughly investigated by the adjustment bureau, generally with the aid of a committee selected from the creditors, and that the investigation thus made should be presented to the

creditors in the form of figures, permitting them to determine for themselves whether the composition offer were fair.

The question, how to arrive at the average dividend paid in estates handled during the year, whether by adding the percentages and dividing by the number of estates, or by dividing the total amount paid in dividends by the amount of liabilities, was answered by the statement that the average dividend was arrived at by dividing the total amount paid in dividends by the amount of liabilities.

The conference of exchange bureaus was presided over by D. L. Sawyer of Milwaukee, who congratulated his fellow conferees upon the development of the exchange bureaus at the various local associations and the strides which had been made in the past two or three years toward an interchange of information among the bureaus. He stated that the number of bureaus in existence today and operating is fifty-three. The number of members in local bureaus, he said, ranged from 17 in the smallest to 306 in the largest, and that there were 4,029 members in 46 of the bureaus reporting. On the subject of interchange among bureaus he said that he had been in receipt of complaints from six regarding interchange to the effect that it had been burdensome; on the other hand, there were eight bureaus which had received more information than they had given, and that nineteen had reported that the interchange of information had been about equal, and that the cost of interchange between bureaus had ranged from the price of postage to fifty cents per report.

There were reports from each representative present upon the status of his bureau, the reports indicating a remarkable growth of the credit exchange idea throughout the country. Among the questions asked were, how to interest members to make more inquiries, the conclusion being, first, by efficient service, second, by publicity, third, by announcements at regular meetings of local associations, fourth, by dinners or gatherings arranged especially for the exploitation of the bureau. It was questioned whether there should be an attempt to develop certain trades independently of others, the conclusion being that the efficiency of exchange bureau work is increased when representative houses in the various lines are members and subscribers and that whether or not it is expedient to develop membership in the bureaus along independent lines would be controlled by local conditions, but that under all conditions, every effort should be made that the membership of local bureaus may be representative of all lines and contain representative houses in those lines.

Upon the question of the establishment of a credit bureau in New York City it was the sense of the conference that the general service of ledger experience interchange through the medium of bureaus would be greatly benefited as to efficiency if there were a credit exchange bureau in New York City, and the conference went on record as favoring petitioning the New York Credit Men's Association to take cognizance of this conclusion, giving the subject thorough study with a view to furnishing to the country a credit exchange bureau at the earliest possible date.

On the subject of greater promptness in exchanging informa-

tion, the conference brought out that one of the vital problems in increasing the efficiency of credit exchange work is that of prompt service between bureaus, that as the time of service between bureaus was reduced the efficiency of the service would be increased, and every bureau was asked so to systematize and prepare for its work that it would return a report in answer to an inquiry within twenty-four hours of its receipt.

On the question of one bureau charging another for a report, the conference voted that the special committee on credit exchange bureaus endeavor to get the various bureaus to keep an accounting of the cost of serving other bureaus and the value of the service received from other bureaus, what net cost or profit is attached to interchange, with a view to working out on a basis of clearing an equitable arrangement. It was the sense of the conference that the efficiency of the interchange service would be greatly increased if every credit exchange bureau operated by a local association were to interchange with other bureaus upon the lines fixed by the conference, and, further, the conference expressed the hope that the several bureaus which thus far had been unwilling to interchange would reconsider and do their part in completing the chain of interchange bureaus of the country.

On the matter of strengthening zone organization, it was the general expression that the interchange bureaus in each zone should hold semi-annual meetings, particularly that there should be such meetings held before the June convention of the National Association.

### **Briefs on Associational Activities.**

John F. Roth, of the H. W. Johns-Manville Company, has just been elected president of the New Orleans Credit Men's Association, succeeding Charles Reynolds, who resigned because of change in his business which took him to Sacramento.

Last month there was formed at Springfield, Ill., the Springfield Association of Credit Men, with forty-two members. The officers for the first year are as follows: President, John A. Myers, John W. Bunn & Co.; vice-president, George E. Keyes, Farmers National Bank; secretary, George E. Lee, Jageman-Bode Co.; treasurer, Edwin A. Coe, George E. Coe.

The directors of the Boston Credit Men's Association, at their annual meeting of January 21st, re-elected all their officers of the preceding year, namely, Austin H. Decatur, president; Harry H. Humphrey, first vice-president; Carl Dreyfus, second vice-president; Harry N. Milliken, treasurer, and Herbert A. Whiting, secretary.

The fire insurance committee of the Sioux City Association of Credit Men has under consideration the offering of prizes to high school pupils for the best essays on the subjects of fire prevention and fire fighting. This is good work and Chairman W. F. Grandy of the fire insurance committee of the Sioux City association is setting an example for other local committees well worth emulating.

The San Francisco association plans the development of a credit interchange bureau, having appointed a committee of three

to effect a credit exchange organization, similar to those conducted by the Credit Men's Associations in other parts of the country. The committee hopes to be able to work out its plans in conjunction with existing reporting organizations of the city, especially stressing lines of business not covered by the existing bureaus.

Members of the Philadelphia association voted at their last meeting to increase their dues in order to provide a fund for the investigation and prosecution of fraudulent bankruptcy. President Snyder, in expressing his gratification over the favorable vote for the \$5 increase, declared that the fund thus created would amount to about \$4,500 for the first year, and would be used for defraying legal and detective expenses in fighting fraudulent bankruptcy proceedings.

President Dwyer of the Buffalo association has given a new twist to the "get acquainted plan" by appointing a host for each table, whose duty it is to introduce every member at the table to every other member. President Dwyer is bound that the members shall broaden their acquaintanceship through these meetings, so that they shall be the more ready to extend to each other that form of help which membership in the Credit Men's Association is intended to bring about. The plan is commended to other associations.

The value of co-operation could scarcely be better illustrated than in the success of West Virginia associations (Wheeling, Bluefield-Graham, Parkersburg, Clarksburg, Charleston and Huntington), in securing the passage of the uniform false statement act by both houses of the legislature. This bill, perhaps the most important piece of legislation for the protection of credit against fraudulent buyers ever framed by the National Association, is to be made the law in every state just as speedily as possible.

The members of the Detroit Association of Credit Men recently held a conference with Secretary Franklin H. Wentworth of the National Fire Protection Association regarding the introduction into the Michigan legislature of a bill to promote greater care in fire prevention methods and to provide for the punishment of gross carelessness with relation to fire. Following the conference, efforts were made to enlist the support of the local board of fire commissioners, with a view to having the bill presented by the board jointly with the Detroit association.

Taking advantage of the congress of peoples which San Francisco is to entertain in connection with the Panama-Pacific Exposition, the San Francisco Association of Credit Men is to have, on the third Tuesday evening of each month, a meeting to be addressed by one of the foreign exposition commissioners representing countries exhibiting at the exposition, upon subjects related to the development of trade with their respective countries. The first speaker in this series is to be the commissioner general of the exposition appointed by the Chinese Republic. The association also expects to be addressed on the same subjects by foreign consuls residing at the port of San Francisco.



Milwaukee members do not need to be told what co-operation means in securing additional membership. At the beginning of the year the membership committee of the National Association asked that city to have, by June 1st, a membership of 340 as its part in helping toward the 20,000 goal by the time of the Salt Lake City convention. By February 1st Milwaukee had, so to speak, "delivered" and exceeded the mark by thirty-two. In answer to how it was done President Kissinger says, "Co-operation on the part of practically the entire membership with Chairman Tanner of the campaign committee, simply another example of the force of concerted action." As he says, a little individual assistance on the part of every member is the surest way of building up a larger association.

Further testimony as to the value of the weekly "get-togethers" reaches the National office from the comparatively small affiliated branch at Roanoke. President Burch writes that the members get together for luncheon every Tuesday for the exchange of credit information and the discussion of topics of mutual interest; that the members feel that they cannot measure in dollars and cents the good which comes out of these meetings, attended as they are by the representatives of credit departments of practically every wholesale house, manufacturing industry and bank in Roanoke. During the rest of the winter President Burch expects to have at these luncheons discussions upon such subjects as the assembling and using of various forms regarding accounting and handling of credit information.

It has been arranged that the Board of Trade of San Francisco shall act as the adjustment bureau of the San Francisco Association of Credit Men. This amicable arrangement was brought about by a conference committee, the chairman of which from the San Francisco association was Thomas M. Earl. In pursuance of the conference agreement, the Board of Trade increased its directory from nine members to twelve by the adoption of a change in its constitution, and at the January meeting vacancies thus created were filled by the appointment of three members of the San Francisco association as follows: Thomas M. Earl, of Nolan-Earl Shoe Company; J. H. Brooks, of Wellman, Peck & Co.; and Eugene Elkus, of The Elkus Company. The two first named are directors of the San Francisco association, and Mr. Elkus was a former president and director of the San Francisco organization.

Secretary Buck of the Baltimore association tells of a certain Congressman of his acquaintance who, on a trip by boat from Norfolk to Baltimore, chanced to be seated close to three men who were engaged in earnest conversation. With no intention of eavesdropping, the Congressman caught the drift of the conversation sufficiently to tempt him to "listen in." They were evidently planning a bold strike on the credit men of New York, Philadelphia and Baltimore. The three cities were to be visited in turn, large orders were to be placed by the three, each using the other two as references; but what struck the Congressman particularly was an emphatic expression from one of the party, who proclaimed the futility of including Baltimore in such a plan, because "that



——— Credit Men's Association would get us sure." The Congressman, while admitting that this was the first time he had ever heard of such an organization, immediately developed a high regard for its efficiency and outlined the incident to Secretary Buck on meeting him a few months later.

The efficient work being done by the credit exchange bureau of the St. Louis association is bringing many letters of appreciation. Among others is a letter from a large canned food products company, which states without qualification that the information received during the past several months through the interchange bureau has saved the company many times the price of the subscription. The letter cites a special case in which one of the bureau members called for a report on a certain southeast Missouri merchant, well rated in the agency reports. The food products company gave the bureau its experience on a regular inquiry blank, showing that the merchant owed it a very small amount, but that an order for \$250 was being held in the files. The bureau, upon receipt of this statement, telephoned the food products company that unsatisfactory information upon the merchant was held by the bureau and advised holding the order pending further report. A day or two later the revised report came in, presenting extremely unsatisfactory information. The merchant had become very slow and some houses had placed their accounts with attorneys for collection. The result was that shipment was withheld, and a few days later this merchant filed a voluntary petition in bankruptcy with unsecured accounts amounting to \$14,000. Without a question, the products company said, the sum of \$250 would have been among the unsecured claims if it had not been for the advance information secured from the bureau.

From all parts of the country comes testimony of the enthusiastic interest stirred up through discussions in credit men's meetings of questions that bear directly upon practical every-day credit work. The Newark association, for instance, reports its meeting of January as holding every man in his place to the end; that there were nearly two hundred members present, one man after another discussing the mercantile agency report as a basis of extending credit. Copies of three reports of going concerns were placed in the hands of every member, and credit men representing merchandising and banking points of view arose and showed how little or how much the reports would influence them in checking a credit. They called attention to the omission of mention of contingent liabilities, to the good-will item and its value as a credit determinant, the machinery, tool, drawings and pattern assets, the close analysis of what in each statement were liquid assets. Out of this came the suggestion that some credit men are too prone to apply the credit measure from the point of view of a business to be sold under the hammer, whereas it is fairer to regard them as going concerns with men in charge ready to fight for the maintenance of their business. The importance of making close collections, following a customer of not particularly good standing with alertness, was set forth as of special importance in selling concerns none too strong. In brief, the meeting illustrated the hold that a discussion of practical, every-day topics has on the members.

If members of the Association have ever asked what function the directors of the National Association of Credit Men perform, a concrete answer could be given by sending them a report of the visits recently made by Director E. M. Underwood, of Portland, to the affiliated branches at Spokane, Seattle and Tacoma which, by reason of location, naturally fall within Mr. Underwood's special field. Mr. Underwood took enough time away from his regular duties for a thorough-going survey of the work that is being done at these association points. In his report he analyzes the situation at each local association center, pointing out its strong features and its weak ones; tells what is discouraging and what is encouraging; shows just where the broad work of each association can be improved; lays emphasis upon the importance of all the associations in his district advancing educational work, bringing out the latent talent in the younger element and points out the tendency in the associations far removed from the center of influence to over-emphasize bureau work till it becomes in the minds of local membership the *sine quo non* of a credit men's association. With all the associations, as he visited them, he emphasized the importance of the business meeting and showed how the meetings could not be built up if the time is to be devoted to routine business or the discussion of the bureau or bureaus. These meetings, he declared, must stand for the broader work of the association, for the improvement of credit men as the heads of an important department, for the study of methods of meeting and overcoming abuses in business, for the discussion of broad economic questions as they relate themselves to daily transactions. Under such directorial system the National Association in all its points is to be better strengthened for national service, as Mr. Underwood's visits illustrate.

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### Here and There.

Members of the Cincinnati association are congratulating Charles W. DuPuis, their treasurer, upon his election to the vice-presidency of the Second National Bank of Cincinnati. Mr. DuPuis has been for a long time one of the association's most active members, and they feel that he deserves all the good things that may come to him.

J. E. Pearson, Jr., formerly superintendent of the Bradstreet Company's office in Norfolk, has been made vice-president of Norfolk's largest department grocery store, that of D. Pender Co., Inc. This step forward has been made by Mr. Pearson only a year and a half after locating in Norfolk and is a splendid tribute to Mr. Pearson's ability in making friends and impressing his personality upon the business interests of Norfolk.

Robert L. Snyder, of Martinsburg, W. Va., said to be a member of a gang which has been defrauding large wholesale companies by purchasing goods under false pretenses, has pleaded guilty at Parkersburg to using the mails to defraud and been sentenced to two years in the Moundsville penitentiary. Snyder confessed im-

mediately upon the indictment being returned. According to the records of the National Association of Credit Men, Snyder has been an old offender, complained of by many members.

The Supreme Court of the State of Idaho, in the case of the Boise Association of Credit Men versus Ellis, in October, decided that fixtures are not embraced in the bulk sales law of that state. The court upholds the constitutionality of the law, but declares that fixtures are not to be read into it by implication. It is to meet just this situation that credit men in several of the states are preparing amendments to the bulk sales law, to the end that the law covering sales of stocks of goods in bulk shall cover fixtures as well.

The fact that arbitration has become in some lines a well established method of settling disputes is not well recognized. Very few, for instance, appreciate that the Railway Freight Association has for the past seven years had a system of arbitration which has disposed of cases at the rate of six hundred per annum, submitted by the various railway systems of America, which recognize that they make a very large saving as against the settlement of these disputes through ordinary law courts. When there is an honest difference of opinion there can be no doubt that arbitration affords the best results, a saving of time, of money, and the preservation of friendship.

Those who have followed the rapid growth of the Kansas City Association of Credit Men in the last two years know the part that Secretary Orear has played in this expansion, and it is with great pleasure that they will learn of his decision to devote his entire time to the perfection of the Kansas City association, having severed his connections with Fairbanks, Morse & Company. Besides serving as secretary and treasurer of the Kansas City association Mr. Orear becomes manager of the credit exchange bureau and the newly formed adjustment bureau. The officers and board of directors of the Kansas City association feel assured, with Mr. Orear in charge, of the efficient conduct of their bureaus and of the strict adherence of their association to the high ideals of the general association work. Mr. Orear comes to his position with unusual equipment. Since 1903 he has served Fairbanks, Morse & Company as head of its credit department, going with that concern almost immediately upon the completion of his course at Missouri University. While with Fairbanks, Morse & Company he made the time to study law at the Kansas City Law School, graduating from that institution in 1908. He has done more, perhaps, than any other man in Kansas City to make the association felt as a concrete factor in the daily work and routine of the members. In fact, he has made the association's office an adjunct of the members' offices. Mr. Orear will be assisted, especially in the credit exchange bureau work, by K. P. Gordon, who came from Oklahoma City to Kansas City to organize that bureau for Kansas City members.

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**Members of the National Association of Credit Men who have had dealings with the Consolidated Adjustment Co. of Chicago; Whitney Law Corporation, of New Bedford, Mass.; Mer-**

cantile Reporting Co., Newark, N. J.; National Collection Agency, of Washington, D. C.; National Credit Exchange, Baltimore, Md.; Pinkerton & Company's U. S. Detective Agency; International Adjustment Co., Kansas City, Mo.; Credit Guide and Guarantee Co., are requested to report the results of the same to the National office.

Members of the Association who have information regarding the Retail Merchants Clearing Association, said to have headquarters at Chicago, St. Louis and Kansas City, and W. T. Frohman, said to represent the above, are asked to communicate with the National office.

Members of the Association receiving communications from W. J. Mead, probably written from New Jersey or Pennsylvania points, are asked to communicate with the National office.

Members of the Association who have had experience with Henry Erickson, of Towner, N. D., are asked to communicate with the National office.

The December Bulletin asked members of the Association who had had communications from John B. Kemp, the University Sales Company, Iowa City, Ia., to communicate with the National office. Members will note that this party is not to be confused with a New York party of the same name who has for the past eight years been an officer and director of the Clark Loose Leaf Mfg. Co. of the latter city. There is no connection between the two parties, simply an identity of names.

### Hotel Arrangements for the Salt Lake City Convention.

The chairman of the Hotel Committee of the next convention of the National Association, to be held at Salt Lake City, June 15th, 16th, 17th and 18th, 1915, is Joseph Johnson, of Morrison, Merrill & Co. It has been decided to make the committee absolutely responsible for booking delegates and visitors at Salt Lake City hotels during convention week and officers of the local associations and individual members should, as soon as possible, indicate to Mr. Johnson what reservations they will require.

### Member of Bar Convicted for Conspiring with Bankrupt.

It has been contended in the pages of the BULLETIN, and it is the general impression among business men, that fraudulent failures are engineered, if not conceived, by members of the legal profession who are willing to besmirch their own names and that of their noble calling by descending to acts despicable beyond the usual crimes. It is good to see men of this calibre brought to the bar of justice and receive punishment, for their opportunity for doing harm is far greater than is that of the fraudulent bankrupt himself.

Business men will read with satisfaction the remarks of Justice Pope, southern district of New York, in the case of *United States vs. Friedman, et al*, last month. Friedman had been found guilty by a jury of a conspiracy to commit an offense against the laws of the United States, being the concealment of assets of a bankrupt from the trustee in bankruptcy and thus withholding from the creditors title to such assets with a fraudulent purpose.

Referring to Friedman's early life Judge Pope pointed out that he had started as a poor boy, had worked his way up, had become a member of the bar with a fine field of usefulness which that profession opened up. He showed how he had had the option between practising law, one of the noblest of professions, honestly, a profession which he could have used to alleviate human misery and guard against imposition, or practising it to carry out wrongful purposes. The latter, said Justice Pope, the defendant had chosen. He had, according to the decision of the jury, conspired against the laws which he had been sworn to uphold. While as the judge set forth he did not wish to impose a sentence which would remove the prisoner from the opportunity to return to life and make something of it, for such an offense substantial punishment must be meted out, punishment for having disgraced his family name and connections, and particularly having disgraced his profession. The court declared that it would not be doing its duty if it did not give the defendant time to reflect and consider that while life is still to a large extent before him it must be accompanied by higher ideals than have been indicated as being the purpose of his life heretofore. Finally, the court sentenced the attorney to be confined in the Atlanta penitentiary for a period of eighteen months and to pay the costs of the trial.

### **The Four Months Preference Veritable Rifle Pit of Protection.**

One of the strongest, clearest thinkers in the Association, whose memory goes back into the early nineties, recently was remarking upon the startling contrast presented in the depressing period of '92-'96 with these trying days brought about by the European war. Using a military term he says that the four months' preference provision of the bankruptcy law has been a veritable rifle pit for the protection of credits, and indeed of honest debtors, for in the panic '92 and following, it was common for a creditor to seize a debtor by the throat and exclaim "Pay me what thou owest!" in default of which the debtor was attached and put through the mill.

In the last few months the dealers and small merchants of Texas, he said, especially have gone through a most trying time, carried along largely by their northern creditors who have been willing to do their part to keep conditions stable because protected by the bankruptcy law. How many of them, he asks, if it had not been for this law would have been tempted in their discouragement to file a deed of trust to take care of their local banks, relatives and home creditors, leaving foreign creditors



to the last. My concern, he writes, has carried about 80 per cent of its Texas dealers and is carrying them now, giving them a chance to tide over their difficulties until the present troubles can be removed and the movement of cotton is well under way. Not that we have reached perfection in insolvency matters but have that chance of evolving toward perfection such as is not even possible under state insolvency provisions.

## NEW MEMBERS

### Associations Showing the Largest Net Gains During the Month of January.

Association	Net Gain	No. of Times Assn. Has been on Honor Roll	Membership as of Feb. 1st	Membership Figures Asked by Committee by June 1, 1915
Milwaukee Association of Credit Men .....	23	4	372	340
New Haven Association of Credit Men .....	22	..	84	65
Kansas City Association of Credit Men .....	19	5	428	400
Minneapolis Association of Credit Men .....	15	4	353	325
Chicago Association of Credit Men .....	12	2	1,215	1,300
Portland Association of Credit Men .....	11	1	214	250
Detroit Association of Credit Men .....	9	2	527	550
Rochester Credit Men's Association .....	7	1	263	300
Norfolk-Tidewater Association of Credit Men..	5	2	182	190
Des Moines Credit Men's Association .....	5	..	92	110

Des Moines and New Haven are this month given a fair place in the honor roll of the organization in its mighty effort to reach the 20,000 goal in membership by the time the Salt Lake City convention meets. What other associations next month are to enter the honor roll for the first time?

#### \*New Members Reported During January.

Ansonia, Conn.	
Ansonia Mfg. Co.....	Hugh A. Pendelbury. Brass Goods.
9. Baltimore, Md. (502).	
Longfellow Mfg. Co.....	Leroy C. Longfellow, Sealord, Del. ....Shirts and Overalls.
Marco Co., The.....	Lewis S. Elmer ....Food Products.
Silverman & Son Co., Inc.....	.....Clothing.
Title Guarantee & Trust Co.	Edwin W. Adams....Bankers.

\* Number to left indicates comparative size of local association among family of branches and number on right total membership February 1, 1915.

**5. Boston, Mass. (617).**

Boston Stocking Co.....Davis H. Cohen.....Hosiery.  
 Dillon Machine Co.....Wm. Morrison, Jr.,  
 Tr., Lawrence, Mass.....Machinery.  
 Hub Dress Mfg Co.....H. Cohen.....Dresses.  
 Levy, William.....Dry Goods.

**11. Buffalo, N. Y. (410).**

Gerstman Mfg. Co.....Louis Gerstman.....Shirts and Overalls.  
 Jewell Steel & Malleable  
 Co.....W. E. Jewell.....Foundry.  
 Niagara Silk Mills.....Fred L. Messner, N.  
 Tonawanda, N. Y.....Gloves (Silk).

**2. Chicago, Ill. (1215).**

Baldwin Perfumery Co.,  
 The.....W. W. Baldwin.....Perfumery.  
 Berger Mfg. Co., The.....A. B. Hartman.....Metal Ceilings.  
 Boynton Furnace Co.....Chas. E. Manny.....Furnaces.  
 Chicago Co-operative Cigar  
 Co.....J. P. Brill.....Cigars.  
 Interstate Electric Nov. Co.....W. J. Smith.....Novelties.  
 Kemper Bros. Co.....Albert J. Kemper.....Hay.  
 Lovell & Covel Co.....E. J. McGarry.....Confectionery.  
 Marden, Orth & Hastings  
 Co.....Arthur C. Trask.....Tanners' Supplies.  
 Nesbit Embroidery Works.....J. Nesbit.....Embroideries.  
 New Era Optical Co.....Geo. G. Levitt.....Optical Goods.  
 Pomeroy Bros. ....Geo. S. Pomeroy.....Men's Neckwear.  
 Stein, M., & Son.....Petticoats.

**65. Clarksburg, W. Va. (45).**

Amicon Commission Co...G. D. Curdello, Mgr..Commission.

**72. Davenport, Ia. (42).**

Knodle, A. H.....Individual.

**31. Denver, Colo. (148).**

Arenz Commission Co...H. H. Arenz.....Fruits and Produce.  
 Kolinsky, I. J.....Furnishings (Men's).  
 Midland Glass & Paint Co.....Jas. C. Ebersole.....Paints, Oils and Glass.  
 Rocky Mountain Merc. Co.....James O. Billig, V.-P.,  
 Boulder, Colo. ....Groceries.

Williamson-Haffner Eng. &

Ptg. Co. ....F. A. Moss.....Printing and Engraving.

**40. Des Moines, Ia. (92).**

Baird-Taylor-Crawford-

Lewis Co. ....E. E. Crawford.....Insurance and Real Estate.  
 Iowa National Bank.....C. H. Stephenson.....Banking.  
 McCutchen-Verran Co. ....A. J. Verran.....Insurance.  
 Pratt Paper Co.....T. A. Tooley.....Paper.  
 Stoner Wall Paper Mfg.  
 Co. ....F. T. Brand.....Wall Paper.

**8. Detroit, Mich. (527).**

Choate, Robertson & Leh-  
 mann.....Clifford B. Longley.....Lawyers.  
 Christe-Oppenheim Co.....A. N. Campbell.....Adjustments.  
 Detroit Food Products Co.....J. M. Card.....Food Products.  
 Detroit Seamless Steel Tube  
 Co.....Daniel Wells.....Steel Tubing.  
 Grand Upholstering & Fur-  
 niture Co.....E. J. Draheim.....Furniture.  
 Hudson, J. L., Co.....Carlos B. Clark.....Department Store.  
 Linsell Company.....Wilfred W. Cameron.....Builders.  
 Standard Tool & Mfg. Co.....J. G. Heal.....Automobile Accessories  
 Victor Knitting Mills.....David R. Stocker.....Knit Goods.

**68. Fargo, N. D. (44).**

Doble Company.....W. C. Doble.....Notions.

**18. Grand Rapids, Mich. (270).**

City Trust & Svgs. Bank...I. B. Dalrymple.....Banking.  
 Grand Rapids Trust Co....Hugh E. Wilson,  
     Sec'y .....Banking.  
 Rhodes Mfg. Co.....H. E. Rhodes.....Furnaces.  
 Weedman, John S.....Mt. Pleasant, Mich...Banker.

**32. Indianapolis, Ind. (145).**

Acme-Evans Company ....E. C. Johnson, Asst.  
     Treas. ....Milling.  
 United States Rubber Co..H. J. Fritton.....Rubber Goods.

**10. Kansas City, Mo. (428).**

Allen, Chas. C., Printing Co.Chas. E. Allen.....Printing and Binding.  
 American Electrical Equip-  
   ment Co. ....Chas. A. Pierson...Electrical Goods.  
 Brown, Chas. E., Ptg. Co..D. A. Brown.....Printing.  
 Burdette Mfg. Co.....W. E. McCraith.....Mops.  
 Commonwealth Nat'l Bank.Jas. Aldridge .....Bank.  
 Duncan Brown Flour, Grain  
   and Fuel Co.....G. W. Duncan.....Flour and Grain.  
 Empire Cap Mfg. Co.....E. M. Wasserstrom. Caps.  
 Excelsior Pwdr. Mfg. Co..F. P. Gorman.....Powder.  
 Firestone Tire & Rubber  
   Co .....T. J. Barry.....Automobile Tires and Sup-  
     plies.  
 Grace Hospital .....G. W. Smith, M.D..Hospital.  
 Kansas City Cap Co.....Harry Hipsh.....Hats and Caps.  
 K. C. Electrical Cont. Co..O. G. Pack.....Contractors (Electrical).  
 Larson Bros. Who. Gro. Co.E. G. Carlson.....Groceries.  
 Miles, Robt., Typewriter  
   Supply Co. ....Robt. Miles .....Typewriter Supplies.  
 Neuer Bros. Meat Co.....Ernest Neuer .....Meats.  
 Pearson Paper Box Co...H. C. Pearson.....Boxes (Paper).  
 Randall, Robt. B., Elec. Co.Robt. B. Randall...Contractors (Electrical).  
 Queen of the Pantry Flour  
   Co. ....O. R. Barton.....Flour.  
 Surface Paint & Glass Co..E. E. Surface.....Paints and Glass.  
 Terminal Warehouse Co..W. M. Teter.....Warehouse.  
 Union Match Co.....Mrs. R. N. Gleason. Matches.  
 United Autographic Regis-  
   ter Co. ....Albert Pico.....Registers.  
 Wright Sheridan Co.....J. D. Wright.....

**41. Knoxville, Tenn. (86).**

Savage, W. J. Co.....F. B. Cooley.....Machinery and Mill Sup-  
     plies.

**62. Lincoln, Neb. (49).**

Lincoln Safe Deposit &  
 Trust Co. ....W. E. Barkley.....Bank.

**12. Milwaukee, Wis. (372).**

Allman-Christiansen Paper  
 Co. ....Hans Christiansen ...Paper.  
 Armour & Company.....Geo. S. Bliss.....Packers' and Packing House  
     Products.  
 Block, H. C., Co., The...H. C. Block, Jr.....Office Supplies.  
 Casper Cone Co.....Stephen J. Casper,  
     Pres. ....Ice Cream Cones.  
 Conrad Bros. ....Wm. Conrad .....Tannery.  
 Juster, Leon M., & Co...Leon M. Juster.....Clothing.  
 Koehler, Clemens Co....L. F. Clemens.....Tea and Coffee.  
 Koehring Machine Co...P. Koehring .....Machinery.  
 Kurth Bros. Co.....C. E. Kurth.....Groceries.  
 Lake Shore Stone Co....H. A. Blair.....Stone (Crushed).  
 Mansfield, Geo. C., The...Henry E. Mueller...Creamery.  
 Meisenheimer Printing Co.E. J. Meisenheimer...Printing and Lithographing.  
 Milwaukee Apron Co....E. E. Baumgarten...Aprons.  
 Milwaukee Corrugating Co.A. J. Luedke, Sec'y..Corrugated Metal Sheets  
     and Shingles.  
 Milwaukee Hoisery Co...Jos. H. Zens.....Hoisery.  
 Milwaukee Printing Co...Max Heller .....Printing.

## Milwaukee System &amp; Ser-

vice Co. .... Wm. Fisch. .... Dictaphones.  
 Mueller, L. J., Furnace Co. D. L. Carrington. .... Boilers and Furnaces.  
 Pasch, S., Knitting Co. .... S. Pasch. .... Knit Goods.  
 Rauschenberger, Jno., Co. .... Louis Schultheis. .... Rope and Twine.  
 Slocum Straw Works. .... A. Slocum. .... Straw Goods.  
 Smith, T. L. Co., The. .... W. J. Buckley, Treas. Machinery.  
 Thompson's Malted Food  
 Co. .... Geo. J. Weigle, Sec'y,  
 Waukesha, Wis. .... Malted Food.  
 Upton Fur Co., The. .... F. L. Upton. .... Furs.  
 Waukesha Roxo Co. .... Frank H. Rogers. .... Mineral Water.  
 Wisconsin Paper Box Co. .... J. Arthur Tarr. .... Boxes (Paper).

## 43. New Haven, Conn. (84).

Alling's, Geo., Sons Co.,  
 The. .... Geo. A. Alling. .... Lumber.  
 Barnes Tool Co., The. .... G. F. Barnes. .... Tools.  
 Bassett, John E., & Co. .... George J. Bassett. .... Hardware.  
 Benedict, Downs & Co., Inc. .... R. Wesley Mills, Jr. .... Coal.  
 Bigelow Co., The. .... G. S. Barnum. .... Boilers.  
 Birmingham Iron Foundry. .... W. B. Marvin. .... Foundry and Machinery.  
 Connecticut Adamant Plas-  
 ter Co. .... W. H. Kellogg. .... Plaster.  
 Doyle, John T., Co., The. .... J. T. Doyle. .... Food Products.  
 Eastern Machinery Co.,  
 The. .... J. Wheaton Stone. .... Machinery.  
 Economy Concrete Co. .... E. S. Wheeler. .... Concrete Stone.  
 Fowler, F. E., Co., The. .... William W. Bucking-  
 ham. .... House Furnishings.  
 Hall Organ Co., The. .... Geo. A. North, West  
 Haven, Conn. .... Church Organs.  
 Holcomb Co., The. .... Sherman Lee. .... Automobiles.  
 McLagon Foundry Co., The. .... H. B. Brown. .... Foundry.  
 Malley, Edw. Co., The. .... John C. Riley. .... Department Store.  
 Mansfield, F., & Sons Co. .... F. J. Mansfield. .... Oysters.  
 Peoples Bank & Trust Co. .... N. S. Lippitt. .... Banking.  
 Sanderson Fertilizer &  
 Chemical Co. .... M. H. Lewis. .... Fertilizer.  
 Sheehan, William J., Co. .... Edward A. Sheehan. .... Liquors.  
 Shoninger, B., Co. .... C. B. Lomas. .... Pianos.  
 Shuster, F. B., Co., The. .... E. F. Shuster. .... Machinery.  
 White Adding Machine Co. .... Chas. M. Jarvis. .... Adding Machines.

## 16. New Orleans, La. (310).

Finance & Realty Co. .... W. C. Lovejoy. .... Bankers and Brokers.  
 Fitzpatrick & Till, Inc. .... Harry W. Fitzpatrick. .... Merchandise (Auctioneers  
 and Jobbers).  
 Rice, L. P., & Co. .... L. P. Rice. .... Harness and Saddlery.  
 Shirer Casket Co. .... H. E. Shirer. .... Caskets.  
 Spansel & Co., Ltd. .... J. M. Spansel. .... Commission Merchants.  
 United Hardware Co., Ltd. .... S. A. Rovira. .... Hardware and Supplies.

## 1. New York, N. Y. (1482).

Fels, Wm., Co., Inc. .... Arthur A. Brody. .... Dresses (Children's).  
 Liggett & Meyers Tobacco  
 Co. .... J. P. Taylor. .... Tobacco.  
 Lion Waist Co., Inc. .... Solomon Fahrner. .... Shirt Waists.  
 Ludeke, A., & Co. .... Henry A. Ludeke. .... Diamonds.  
 Man-A-Cea Water Co. .... Ben Aldrich Curtis. .... Mineral Water.  
 Ocean Bathing Suit Co.,  
 The. .... Alfred Murphy. .... Bathing Suits.  
 Schmerler, E. .... Dresses (Children's).  
 United Cigar Manufacturers  
 Co. .... W. A. Snyder. .... Cigars.  
 Vacuum Oil Co. .... C. G. Meinken. .... Oils.  
 Weed & Kennedy. .... George W. Hayes. .... Insurance (Fire).  
 Weltman, Simon, & Co. .... Samuel E. Lebeck. .... Cloaks and Suits.

**27. Norfolk, Va. (182).**

Gowan Medical Co.....Gowan Dusenbery,  
Concord, N. C.... Chemists.  
Montauk Co., The.....J. M. Fentress.....Ice Cream.  
Mutual Sav. & Loan Co.,  
Inc. ....G. H. Rick, S.-T.... Banking.  
Odend'hal, E. H., & Son...E. A. Odend'hal.... Roofing.  
Wilkinson Press, Inc., The.J. B. Farant, Pres... Printing.

**N. Charlotte, N. C.**

General Fire Extinguisher  
Co. ....Geo. M. Meyer.... Extinguishers.

**4. Philadelphia, Pa. (885).**

Heisey, A. R. ....Butter, Eggs and Poultry.  
Holmes Press, The.....J. Linton Engle.... Printing.  
Pennsylvania Steel Co., The.Sidney F. Morgan... Steel.  
Peters, James, & Son.....Wm. Peters..... Hardware.  
Second Nat'l Bank of Phila.J. E. Gossling..... Bank.  
Spatola, Felix, & Son.....Jos. Spatola..... Fruits and Produce.

**3. Pittsburgh, Pa. (920).**

Benner Drilling Tool Co...George K. Benner... Tools.  
Gerwig's, A. H., Sons.....E. G. Gerwig..... Jewelry.  
Hyde Bros. Steel & Rail Co.Harry B. Jewkes... Iron and Steel.  
McQuade, James H., Jr.....Contractor.  
Miller Brothers.....Harry C. Miller.... Printing.  
Miller Construction Co...Charles M. Miller... Contractors and Builders.  
Pittsburgh-Apperson Co...C. E. Wilbar..... Automobiles.  
Pittsburgh Dry Goods Co..W. A. Given..... Dry Goods.  
Title Guaranty Co.....C. C. Stotler..... Title Examinators.  
Webb, S. C., Company.....S. C. Webb..... Machinery.

**24. Portland, Ore. (214).**

Allen, W. C.....Candy.  
Clear Creek Creamery Co..Mr. Kirchen, Oregon  
City, Ore. ....Creamery.  
Disston, Henry, & Sons,  
Inc. ....G. A. Cheatham.... Saws.  
Hughson & Merton.....Mr. Johnstone.... Automobile Supplies.  
Miller, Ernest, Wall Paper  
Co. ....Ernest Miller.... Wall Paper.  
Morris & Company.....H. H. Bucholtz.... Meats.  
Nollan Knitting Co.....J. A. Zehntbauer... Woolens.  
Standard Broom Co.....Chas. C. Hyle.... Brooms.  
Swartwout, S. C.....c/o Eilers Music  
House .....Musical Instruments.

**Twentieth Century Candy**

Co. ....H. M. Dickerson... Candy.  
Wildman & Co.....A. Wildman ..... Cigars.

**90. Roanoke, Va. (28).**

Firebaugh-Pinkard Co., Inc.W. C. Pinkard..... Flour, Feed and Grain.

**20. Rochester, N. Y. (263).**

Atlantic Stamping Co.....W. J. McKelvey... Metalware.  
Comstock, S. E., & Co.....Newark, N. Y.... Packers and Canned Foods.  
Goodwin Shoe Co.....J. J. Goodwin.... Shoes.  
Grashof, C. H., Co.....A. A. Granger.... Tobacco.  
Hazard, Coates & Bennett  
Co. ....R. H. Coates..... Iron and Metals.  
Mabbett-Betys Motor Car  
Co. ....F. E. McDonald.... Motor Cars.  
Spencer Lumber Co.....S. B. Spencer..... Lumber.

**39. St. Joseph, Mo. (93).**

Furbeck & Company.....G. A. Furbeck..... Mill Engineers' and Build-  
ers' Supplies.  
Western Dairy Co.....A. H. Turner..... Dairy Products.

**7. St. Louis, Mo. (554).**

American Rubber & Leather  
Belting Co. ....M. P. Davis..... Belting.



Braun, A., Mfg. Co.....M. F. Braun.....Pickles and Vinegar.  
 Brooks, A. R., Co.....Frank N. Sohus.....Jewelry.  
 Carleton Clothing Co.....John Carleton.....Clothing.  
 Jefferson Bank .....Victor T. Moberly,

Cash. ....Bank.  
 Lyon Furniture Agency....Paul R. Prietsch....Furniture.  
 Mississippi Valley Paper

Co. ....J. H. Tompkins.....Paper.  
 Missouri Boiler Cleaner Co.L. W. Mead.....Boiler Cleaner.  
 National Life Insurance Co.F. T. Rensch.....Insurance (Life).  
 Package Confectionery Co.James Macnaughton,

Jr. ....Confectionery.  
 St. Louis Envelope Co....J. C. Blackford,  
 Sec'y and Treas....Envelopes.

Selby, W. P.....Individual.  
 Wilsdorf, M. A.....L. A. Kuchner.....Sheet Metal.

#### 17. St. Paul, Minn. (303).

Bishop, Edwin.....A. P. MacGregor....Accountants (Cert. Pub.).  
 First National Bank.....E. O. Rice.....Bank.

La Crosse Knitting Works.C. N. Harrington,  
 La Crosse, Wis....Knit Goods.

National Cash Register Co.C. H. Turner.....Cash Registers.  
 Schmidt, Jacob, Brew'g Co.Edw. A. Kramer.....Brewery.

#### 47. Spokane, Wash. (81).

Falls City Mill & Feed Co..A. M. Hathaway....Grain and Feed.  
 Frederick-Melheim Shoe

Co. ....Chas. E. Frederick....Shoes.  
 Gray & Company .....W. J. Gray.....Bakers' and Confectioners'  
 Supplies.

Gunst, M. A., & Co., Inc..P. J. Neuman.....Cigars and Tobacco.  
 Hawkeye Fuel Co.....W. S. Ramage.....Coal and Feed.

Lehigh Portland Cement  
 Co. ....Dan R. Brown.....Cement.

Potlatch Lumber Co.....John Kendall,  
 Palouse, Wash....Lumber.

Pure Oil Co.....F. A. Hall.....Oils.  
 Robbins Co., The.....Chester C. Robbins....Stoves and Refrigerators.

Roundup Fisheries.....A. Victor.....Fish.  
 Shell Co. of Calif., Inc....D. C. Campbell.....Oils.

#### 70. Springfield, Ill. (42).

Armour & Co.....R. E. Planchord....Packers' and Packing House  
 Products.

Ball, T. E.....Fruits and Produce.

Blue Valley Creamery Co..H. D. Remington....Creamery.

Bunn, John W., & Co.....John A. Myers.....Groceries.

Capital City Paper Co.....G. W. Yoder.....Paper.

Clutter Candy & Bot'l.  
 Works .....W. W. Clutter.....Jobbers.

Coe, George E.....Edwin A. Coe.....Produce.

Duh, R. G., & Co.....H. J. Bliss.....Mercantile Agency.

Eck, Jos., & Bros.....E. J. Eck.....Liquors.

Erhardt Mueller & Co.....Jos. C. King.....Jobbers.

Farmers National Bank...Geo. E. Keyes.....Bank.

First National Bank.....J. A. Easley.....Banking.

Hartmann Bros. ....Conrad Hartmann ....Bakery.

Illinois Ice Cream Co....F. E. Schuster.....Ice Cream.

Illinois National Bank...Logan Coleman.....Banking.

Illinois Tob. Co.....G. C. Bretscher....Cigars and Tobacco.

Ill. Watch Co.....Mr. Morgan.....Watches.

Jageman-Bode Co.....Geo. E. Lee.....Groceries.

Joy & Park.....W. A. Joy.....Eggs and Poultry.

Lomelino, E. F.....Baking Powder.

Loose-Wiles Biscuit Co...J. L. Waldschmidt....Biscuits.

Merchants Transfer & Stge.C. H. Struff.....Transfer and Storage.

Phillips' Bros. ....D. L. Phillips.....Printing.

Reisch Brewing Co.....A. F. Maurer.....Brewery.

Ridgley National Bank...J. H. Holbrook.....Banking.

Sangamon Loan & Trust  
Co. .... Albert H. Rankin.... Banking.  
Schafer, Joe..... Flour and Feed.  
Schlitz, Jos., Brewing Co.. H. H. Webb..... Brewery.  
Skehan Bros. .... J. E. Skehan..... Beer.  
Smith, Hal M., Co..... Hal M. Smith..... Notions.  
Smith, LaFayette, Gro. Co.. J. B. Midden..... Groceries.  
Spitznagle Candy Co..... Candy.  
Springfield Coffee & Spice  
Co. .... S. F. Major ..... Coffee and Spices.  
Springfield Marine Bank... Shelby C. Dorwin... Banking.  
Springfield Notion Co.... A. L. Weir..... Notions.  
Springfield Paper Co..... J. Springer..... Paper.  
Springfield Produce Co.... L. Gillarde..... Produce.  
State National Bank..... Jos. F. Bunn..... Banking.  
Thomas & Clarke..... Jos. P. Engel, Jr.... Crackers.  
Travers, H. E., & Co..... H. E. Travers..... Produce.  
Van Horn & Link..... Chas. Link..... Toys and Notions.  
Wiedlocher & Son..... Geo. Wiedlocher.... Flour and Feed.

### 75. Springfield, Mass. (39).

Bradstreet Co., The..... F. A. Latimer..... Mercantile Agency.  
Dutton, A. C., Lumber Co.. A. C. Dutton..... Lumber.  
Gilbert & Barker Mfg. Co.. W. T. Rayner, W.  
Springfield, Mass.. Gas Engines.

### Terre Haute, Ind.

Hulman & Co..... Patrick E. Dunn.... Merchandise (General).

### 33. Youngstown, O. (141).

Dales, W. L..... Biscuits.  
Ohio Galvanizing & Mfg.  
Co., The ..... A. I. Bentley,  
Niles, O. .... Sheet Metal Products.  
Trumbull Steel Co., The... Lloyd Booth,  
Warren, O. .... Steel.

## MISSING

In sending names to be inserted in the missing column be sure to give the former address and occupation of the parties whose whereabouts are sought.

The parties whose names appear in this list are reported as missing. Any information regarding their whereabouts should be sent to the National office.

Alsop, Arthur H., formerly in the dry goods business in St. Louis, Mo.  
Ball, Louis, formerly of Ft. Madison, Iowa, and later reported to be in Philadelphia, Pa., and Monmouth, Ill.  
Baker, Haskell J., a glazier, formerly of 6923 Third Avenue, Brooklyn, later of Philadelphia, Pa., and now believed to be in New York City.  
Breecher, Nathan, formerly of 305 East Houston Street, New York, N. Y.  
Cleary, W. E., formerly of Ocean Avenue, New Haven, Conn.  
De Grange, Louis C., formerly of Toledo, Ohio.  
Difffenbacher, Clarence L. and Harris Rubel, formerly proprietors of the Thief River Plumbing & Heating Co., Thief River Falls, Minn., who are supposed to have gone to Canada.  
DiRienzo, Patrick, Box 49, Atlas, Pa.  
Dorp City W. P. Co., formerly of Schenectady, N. Y.  
Economos, Nick P., formerly of Augusta, Ga., running a small fruit store.  
Gannon, C. H., formerly of Ashville, N. C., and Jacksonville, Fla.  
Gedosh, W. O., formerly of Conway, N. D.  
Gerard, Paul, formerly of Boston, Mass.  
Gerlach, Jacob, formerly in the furniture business in Hennessey, Okla.  
Gramer, Joseph, formerly dealing in tailors' trimmings, at 640 Broadway, New York, N. Y.

- Greenberg, B., formerly of Scranton, Pa.  
 Hassie & Kateeb Co., formerly in the peddlers' supply business at 104½ Front Street, Fargo, N. D.  
 Heimle, H., formerly of 5th and Oxford Streets, Philadelphia, Pa.  
 Ingram, A. T., formerly in business at England, Ark.  
 Jaber, Sam, formerly a dry goods and notion peddler in Webb City, Mo.  
 Kunken, Abraham, formerly of 1815 Madison Avenue, New York, N. Y.  
 London, B. H., formerly of Provo, Utah.  
 McLaren, Ed, formerly selling butter and eggs to hotels, presumed to have located in one of the Western cities.  
 Meier, R. W., supposed to have conducted a hardware and paint shop at one time, last located at 4463 Shields Avenue, Chicago, Ill.  
 Miller, E. E., formerly of Derby Line, Vt. R. F. D. Tice.  
 Mitchell, A. E., lumber scaler, formerly of Benton, Saline County, Arkansas.  
 Orchow, D. or L., formerly operating under the name of the Southwark Bargain House, located 1212 and later at 1313 South 4th Street, Philadelphia, Pa.  
 Pier & Blanchard, formerly of Columbus, Pa.  
 Rabin, Jake, formerly of Pittsburgh, Pa., a traveling salesman, last heard of at Cincinnati, Ohio, about 25 years old, 5 feet 5 inches tall, prominent nose.  
 Rapelje, A. K., formerly of Brewster, N. Y., supposed to be in or near Hartford, Conn.  
 Robertson, J. M., formerly of Ruleville, Miss.  
 Rubel, Harris, and Clarence L. Diffenbacher, formerly proprietors of the Thief River Plumbing & Heating Co., Thief River Falls, Minn., who are supposed to have gone to Canada.  
 Schenk, George F., formerly of Denver, Colo.  
 Seidelmeier, Peter, a lithographic artist, formerly of 850 Belgrove Drive, Arlington, N. J., said to have moved to Brooklyn late in December, 1914.  
 Stothart, D. E., formerly in the confectionery business at Oakdale, La., later heard from at Lake End and Coushatta, La., also supposed to have been running a hotel at Shreveport.  
 Taylor, William J., formerly at Vineland, N. J., in the roofing business.  
 Weddington, A. L., formerly of Hemlock, Ga.  
 Wolf, Philip, formerly doing business at 655 Columbia Avenue, Baltimore, Md., supposed to have gone to Chicago.  
 Young, Robert W., who formerly operated at Ottawa, Ontario, under the name of the Ottawa Boat Works. He is supposed to have returned to Ogdensburg, N. Y., where he originally came from.

## ASSOCIATION NOTES

### Boston.

The members of the Boston Credit Men's Association heard a brilliant address, at the meeting of January 12th, by Herbert Parker, at one time attorney general of Massachusetts. Most of Mr. Parker's address was upon the subject Abraham Lincoln, the man and humorist, but the ideals of American citizenship and the duties of a good citizen of a state were also discussed. Referring briefly to the great European war Mr. Parker characterized this war as a cataclysm which had disrupted the bonds of ethics, both national and international, leaving the United States the one great and powerful nation at peace and secure because we are self-governing people and have a system that is wholly and entirely based on the will of the people themselves.

Thomas E. Stutson, who was abroad after the war began, outlined many incidents of the trying days right after July 29th.

As it was the annual meeting, President Austin H. Decatur and Secretary H. A. Whiting presented their annual reports, the latter showing a membership of 619.

### Buffalo.

At the meeting of the Buffalo association, held January 21st, President Charles E. Meek of the National Association spoke on "The federal reserve

law and financial and business conditions." He declared that business conditions today show a steady improvement, but we must not look for a rapid recovery, that the progressive conservative is the man of the hour. He declared that the business men of the country were to be congratulated in the fact that already the country is coming under the sway of a more conservative legislative policy and that fads and fancies of government are being relegated to the background and sane policies are being introduced.

Speaking of the federal reserve act, Mr. Meek declared that under it bankers will scrutinize more closely than ever financial statements and reports upon customers, that a carefully and regularly taken inventory will be more important than ever and that the system of certified public accounting will broaden.

Another speaker was P. J. Kuhns, superintendent of the Bradstreet Company, who spoke on "The sound financial statement and its force in modern credit granting."

Another speaker was Leroy D. Peavey, vice-president of Babson's Statistical Organization, who spoke on "Lessons of the European War for the American business man." Mr. Peavey illustrated by means of charts the rise and fall of crises and their effect upon food stuffs, metals, and the trade of the various countries in general.

### Chicago.

The January meeting of the Chicago association was known as legislative night and was in charge of the chairman of the committee, S. J. Whitlock. At the meeting were the delegates from various local associations attending the conferences of the adjustment and credit interchange bureaus, besides Secretary J. H. Tregoe and former President F. R. Salisbury of the National Association.

Chairman Whitlock reviewed the activities of his committee and its attorney, Henry S. Blum, presented the outline of the committee's plans. He referred to the success of the committee last year in securing the bulk sales law which he characterized as more far-reaching in its effect than any single act relating to credits that had been passed in the legislature of Illinois. The fact, he declared, that this measure had the almost unanimous support of both houses of the legislature indicates the growth of a more correct attitude on the part of law makers toward protective credit legislation. The legislative committee, he said, had drafted an amendment to the attachment law, to overcome the attitude of the courts in declaring the mere selling out of a business, even though fraudulent, is not the kind of fraud which will be sufficient basis for an attachment suit; the amendment if enacted will make this form of fraud good and sufficient basis for attachment.

Further, to strengthen the bulk sales law, it is proposed, Mr. Blum said, to offer a measure to cover the transfer of goods in bulk from A to B, thence from B to C, the present law not reaching such cases. The present amendment provides that one shall be liable to garnishee when he receives such goods without complying with the law.

The uniform false statement act, Mr. Blum reported, was making satisfactory progress in the legislature and the co-operation of every member in influencing legislation for the enactment of this measure was asked.

Following Mr. Blum, Nathan William MacChesney, president of the committee for uniformity of legislation in the United States, spoke on "Uniform laws a commercial necessity." Mr. MacChesney pointed out that the uniform law movement in the United States has grown out of the general desire of the people to have the status of persons and the condition of business uniform in the various states and this uniformity should cover the three general classes of law, commercial, domestic and industrial relations. Mr. MacChesney pointed out the success attained by the committee thus far in the wide adoption of the uniform warehouse receipts act, sales of goods act, bills of lading, stock transfer, marriage evasion and negotiable instruments. Other pressing uniform legislation, he said, is that covering child labor, divorce, marriage, partnership, vital statistics and cold storage. He said that the uniform partnership act had just received the final sanction of the committee, the purpose of the act being to set forth the rights and duties of business partnership. The act reaches a compromise between what lawyers call the "entity theory" and the individual

theory, recognizing the partnership as an entity in certain aspects, yet settling its individual relationships.

Secretary Tregoe followed Mr. MacChesney on the duty of a credit man in minting sound credit dollars. He called for vigilance in the efforts of credit men.

Another speaker was Franklin H. Wentworth, secretary of the National Fire Protection Association, who called upon the business men of the country to work together, heart, soul and mind, for that progress and prosperity which is America's natural heritage.

#### Cincinnati.

At the meeting of the Cincinnati Association of Credit Men, held January 16th, the Hon. Frederick Spiegel, mayor of the city, and Dean Rogers, president of the Business Men's Club, gave brief talks on business conditions.

The principal speaker was Dr. N. Parker Willis, secretary of the Federal Reserve Board at Washington, his subject being, "The federal reserve system, what it has done and what it must do." He gave his hearers an excellent idea of the practical work which the board is doing and also an authoritative statement as to the policies adopted by the board, about which there has been considerable controversy. Finally he paid high tribute to the National Association of Credit Men for the assistance which it had rendered in securing the enactment of the law.

#### Cleveland.

At the luncheon meeting of the Cleveland association held January 13th, A. V. Cannon of the Cleveland bar, vice-president of the American Commercial Company, presented at some length the grounds for the opposition of the non-notifying discount companies to the proposed legislation prepared by the National Association of Credit Men, under which discount companies were compelled to notify debtors or record the transfer of accounts receivable with the county recorder. He declared that it is far from the desire of the discount companies to aid the fraudulent debtor and asserted that the discount companies of high standing would be glad to co-operate in drafting a bill which would not interfere with proper business methods. They objected, however, to such restrictions as the National Association's bill placed upon a business that is doing from \$100,000,000 to \$200,000,000 every year, simply to meet the shortcomings of the credit man who does not secure signed financial statements containing information as to whether a customer is selling his accounts receivable or not. The thing, he said, which is going to help the credit man most is to insist upon getting a signed statement, and then if fraudulent failure takes place prevent the bankrupt's discharge or put him where he belongs.

At the conclusion of Mr. Cannon's address reports were made by Chairman Green of the legislative committee upon the December meeting of the Ohio State Legislative Board and by Chairman Fish of the Credit Education Committee, who announced the drafting of a two-year course in credits to be conducted in connection with the Cleveland Y. M. C. A., a course which, he declared, would prove of vast benefit to the younger members of credit departments.

#### Detroit.

The Detroit Association of Credit Men held a most important and successful meeting January 26th, when David R. Forgan, president of the National City Bank of Chicago, delivered a masterful address upon "The new federal reserve banks." There was a splendid attendance, included in the audience being many of the leading bankers of Detroit, some of whom made brief talks following Mr. Forgan.

Secretary Hamburger, in writing of the meeting, declares that there was manifest an increased interest among members who heretofore have been inactive or passive regarding the affairs of the association, and a disposition on the part of an increasing fraction of the membership to get into the harness and take an active part in developing the association's work. The members are feeling that the Detroit association should become the most influential factor in southern Michigan in the promotion of proper business methods and the elevation of business standards.

#### Grand Forks.

F. R. Salisbury of Minneapolis, a former president of the National Association of Credit Men, was the speaker at the meeting of the Grand



Forks Association of Credit Men, January 12th. Mr. Salisbury, in a splendid sketch of the National Association and its activities brought out the specially important work which the organization had accomplished for the states of the Northwest. He assured the credit men of North Dakota that the splendid co-operative spirit among the credit men of the Northwest is thoroughly appreciated all over the country and that section is pointed to as a field where credit ideals have been rapidly and effectively advanced.

### Grand Rapids.

At the meeting of the Grand Rapids association, held January 19th, Professor E. C. Warriner spoke on "Business and education and the alliance between the two." Professor Warriner pointed out that the demands upon our school system today are greater than ever before and are increasing. There is an impression that less attention is being given to the elementals than is required to fit a boy or girl for the ordinary tasks of life, but as a matter of fact more attention than ever is being paid to them and they are better taught than ever, and added to this fact, he said, the schools must supplement as moral instructors the home and church which have not the influence over the youth of the land they once had.

The schools, he said, are expected to supply moral instruction, physical training, instruction in domestic science, industrial and commercial work besides the ordinary work which the school always had undertaken to instruct in. They are also asked to take up various special topics, such, as, safety first, fire prevention, tuberculosis prevention, methods of thrift, etc. He declared that what business men should do for education is in the first place to be fair, to get an understanding of the new spirit of the times, to grasp the vast number of requirements that are put upon the schools, and again they should help the schools in stiffening the moral fibre of the rising generation.

The association was also addressed by H. W. Parker of St. Paul, a director of the National Association, who outlined what the Association and its branches stand for. Mr. Parker having cited the wide activities of the Association and the tenacity with which it had held to its early purposes declared that the founders illustrated the principle "Give to the world the best you have and the best will come back to you." Mr. Parker then spoke on local association activities and what must be in the thought of local administrations if they are to bring out of the associations over which they preside the largest fruition.

### Indianapolis.

At a meeting of the Indianapolis Credit Men's Association, held January 13th, Secretary Tregoe spoke in praise of the efficient manner in which the bureau for the exchange of credit information of the Indianapolis association was being conducted. He was followed by Manager Balch of the bureau, who explained its purposes and the work it was accomplishing.

Another speaker was Merrill Moores, representative to Congress elect, who discussed credit bureau work from various angles and also touched upon the careful credit work which must be done at the federal reserve banking branches. Mr. Moores was followed on this subject by Henry Eitel, vice-president of the Indiana National Bank and Ralph K. Smith of the Fletcher American Bank.

### Kansas City.

The Kansas City Association of Credit Men held a "Head of the house night" January 8th, each member having been asked to bring his employer as a guest. The result was a meeting attended by two hundred and fifty.

The necessity for a special fund to meet the expenses of the legislative committee in advancing fire marshal and bad check legislation was the special subject for discussion. The meeting also decided to establish an adjustment bureau and broaden the scope of the interchange bureau, with Secretary M. L. Orear of the association at the head of both bureaus, devoting all his time to the work.

The principal speakers were James McQueeney, on "The bulk sales law"; J. E. Woodmansee, on "The discount evil"; F. B. Rose, on "Interest on past due accounts"; Lyle A. Stephenson, on "Fire insurance as a basis of credit"; L. J. Downing, on "Cost adjusting"; George C. Henrici, on "Friendly adjustments"; M. L. Orear, on "The association and its work"; Erb Kreider, on "Ledger interchange," and E. L. McClure, on "An employer's viewpoint."

### Lehigh Valley.

The Lehigh Valley Association of Credit Men at its meeting of January 14th had up for discussion the Federal Reserve Banking and Currency Law, leading bankers of Allentown, Easton, Bethlehem and South Bethlehem taking part. Henry G. Siegfried of the Easton National Bank, who led the discussion, explained the difference between the old and the new banking systems. He showed why the twelve original reserve banks, with total resources, as in the first week of January, of \$287,301,000, reported total loans of but \$9,876,000, and investments of \$6,467,000, an aggregate of \$16,343,000, the fact being that because of numerous restrictions placed upon federal reserve banks, the country banks had found it more convenient to borrow from their city reserve banks. It was the consensus of opinion that while the system will be of much benefit in time of money stringency, there must be removed many of the restrictions upon the business of reserve banks before the vast sums of money which they control, can be put to work to earn the 6 per cent. cumulative dividend promised the member banks.

### Lincoln.

The Lincoln Credit Men's Association, at its annual meeting of January 18th, elected the following officers: E. W. Nelson, Rudge & Guenzel, president; J. L. Kizer, of the Bradstreet Company, vice-president, and H. T. Folsom, of the Union Coal Company, secretary and treasurer.

Secretary Folsom reported that the average attendance at the meetings of the Lincoln association during the year, in which nine meetings had been held, was twenty-eight, or nearly three-quarters of the average membership. He expressed the opinion that there are few associations that could show a better record than this.

### Milwaukee.

Over one hundred and fifty members and guests were present at the meeting of the Milwaukee association, held January 20th and heard the bankruptcy law discussed from different angles by Federal Judge Ferdinand A. Geiger, Secretary Tregoe of the National Association, W. C. Zabel, district attorney of Milwaukee County; John P. Galbraith, manager of the Northwestern Jobbers' Credit Bureau, and F. R. Salisbury, of Minneapolis, formerly president of the National Association. Judge Geiger said that the most important factors in the bankruptcy law are its proper administration and the question of preference. He pointed out that the present law had stood the test of the last seventeen years, and those who had any question of its continuance he would answer by asking two questions, "What had we before the law?" and "What are we going to get to replace it?" These two questions, Judge Geiger declared, must be answered in conjunction with the question as to the permanency of the present statute.

Speaking on business conditions, Secretary Tregoe declared that the country has remained steady while passing through a most unusual and difficult period through the co-operation of the credit men of the country who are minting daily millions of dollars in credit and doing so with daily increasing efficiency.

Mr. Zabel said that he viewed the credit profession as offering a preventive of extremes of prosperity and extremes of depression, and assured his fellow citizens of Milwaukee who are in business that they would have the cordial co-operation of his office.

Secretary Battin reported that, whereas the membership committee of the National Association had imposed upon the Milwaukee association the duty of increasing its membership to 340 before the Salt Lake City convention, it had at the time of the meeting recorded a membership of 363, in other words had already done better than it had been asked by twenty-three.

### Minneapolis.

There was held at Minneapolis January 21st a joint meeting of the St. Paul and Minneapolis Associations of Credit Men, addressed by the Rev. James E. Freeman of Minneapolis, Secretary J. H. Tregoe of the National Association; F. R. Salisbury, a former president of that organization; H. W. Parker of St. Paul, one of its directors, and Franklin H. Wentworth, secretary of the National Fire Protection Association.

There were present as guests also F. D. Cameron, secretary of the Grand Forks association, and G. W. Ekstrand, vice-president of the St. Paul association, who conveyed its greetings.

Mr. Freeman in his address deplored the epidemic of suspicion which prevails in this country, an epidemic which had its beginning about ten years ago, with official investigations into every phase of life, producing committees of investigators, many of them ill advised, which undertook to say to the business men of the country and others expert in their departments, just what is the basis of their business, and made recommendations to legislators which had in many instances crystalized into law.

What the country needs more than anything else, Mr. Freeman declared, is less of the trade of criticism and more of the profession of brotherly love, for confidence is the underlying basis of all human relationship. He declared that even the present war came from lack of confidence between nations, and from their mutual suspicions, and called upon business men and ministers to do better work in character building to the end that confidence may be re-established.

Secretary Tregoe, in his address, declared that the nation's commercial history was showing an advance from the extensive to the intensive state. He urged all to place duty before immediate interest in their day-by-day work in making credits.

Mr. Salisbury urged particularly co-operation through the Northwestern Jobbers' Credit Bureau in exchanging credit information and in placing insolvency matters in the hands of that bureau for adjustment.

Mr. Parker made a plea for fire prevention as the proper function of the credit man since our great fire losses deplete that wealth of the nation which is built up on the credit system. Mr. Parker was followed by Secretary Wentworth, who pleaded with the credit men of the nation to re-double their efforts for the establishment of conditions which would reduce our fire losses.

#### Nashville.

The January meeting of the Nashville association was held jointly with the Retail Credit Men's Association. Special attention was given to the problem of collecting delinquent accounts and the legislative matters of interest to the two associations were studied.

A special feature of the meeting was an address by Joseph T. Howell, president of the Cumberland Valley National Bank, on credits in general and the reserve bank situation.

W. B. Marr, attorney for the Retail Credit Men's Association, spoke on "Collection of bad debts," and W. E. Metzger, an experienced insurance adjuster, on "Insurance matters especially as regards proper adjustments."

#### Newark.

The Newark Association of Credit Men at its recent annual meeting elected Arthur B. Underwood of the Riley-Klotz Manufacturing Company president, J. Fred Braun of J. J. Hockenjos Company vice-president, W. E. Bacon of the Standard Oil Company treasurer, and Harry I. Hunt secretary. Mr. Hunt also was appointed manager of the credit interchange bureau.

The Newark Association of Credit Men gathered two hundred members together for its meeting of January 26th, for a discussion of the value to be placed on mercantile agency reports as a basis of extending credit. This was the first meeting presided over by the newly elected president, Arthur B. Underwood, who pointed out that the problem of extending credit at this time is particularly difficult because of general business depression, which has brought in its wake a large number of failures.

There were sample mercantile agency reports presented at the meeting, with a discussion upon them led by Willis L. Brownell of Crocker-Wheeler Company and Spencer S. Marsh of the North Ward National Bank. Each gave his opinion of the value of the statements and cited just how far they would be of value in determining how much credit to allow. It was generally agreed that there were ear marks of exaggeration of assets in the statements. Some of the speakers who took part in the discussion felt that no credit should be extended upon them, others that a limited credit closely watched would be safe.

There was a report from the credit interchange bureau to the effect that it possessed a half million references upon concerns in the Newark market, and that not only these references were available to the members, but the contents of fifty-six similar bureaus in other sections of the country. There were reports for the past year given by committees, that of the bankruptcy

committee arousing special enthusiasm in its commendation of the recent activities of Judges Thomas J. Haight and John Rellstab in connection with the prosecution of those defying the bankruptcy law.

The membership committee reported the total of 331 members, which the president stated gave only the ground work of the organization and that there should be substantial additions during the next six months.

#### **New York.**

Nearly seven hundred members attended the meeting of the New York Credit Men's Association, held January 21st, when Senator-elect James W. Wadsworth spoke upon the necessity of business men paying more attention to politics. He said that he could see in the future, unless business men were willing to devote of their time to governmental affairs, the development which will drive the individual from carrying on his business, honest though he may be, under his own initiative and enterprise. Many men in public life, even in Congress, he declared, abhor enterprise, attack all business that is big, not recognizing that we need big instruments to meet the big problems of modern civilization, or that it is individual enterprise that has built up the country. Mr. Wadsworth saw clearly that the agitation against business has been partly justified for some men have cynically disregarded the rights of the average man, but there is no excuse, he declared, for the man who burns his house just to clean one room. The government, he says, must be stopped from its tendency to regulate the minutiae of business.

There was a most illuminating address by Herbert R. Eldridge, vice-president of the National City Bank of New York on acceptances. His address is published in another part of this BULLETIN.

The last speaker was Edward James Cattell, a member of the Philadelphia association, whose subject was "The dawn of a brighter day." His address was crowded with optimism, Mr. Cattell declaring that we are entering into a constructive period when, instead of scorn and suspicion there will be unity in upbuilding the country.

#### **Norfolk.**

The value of the financial statement to the credit system was the subject of a talk by W. A. Parker, at the meeting of the Norfolk-Tidewater association, January 27th. There was also a report from Assistant Secretary Sheiton N. Woodard upon the convention of adjustment and credit bureau managers held at Chicago.

#### **Omaha.**

The Omaha Association of Credit Men was addressed, at its meeting of January 14th, by R. G. Young of the Omaha bar, his subject being, "The different methods of closing an insolvent estate." Mr. Young brought out the advantages and disadvantages of a voluntary trusteeship as against the handling of insolvent estates through the bankruptcy court.

There were reports from Chairman Young of the Mercantile Agency Committee, Chairman Gossard of the Legislative Committee, and Chairman Duff of the Adjustment Bureau Committee, the latter stating that a number of subscriptions to the bureau had been received through the mails, but that the final arrangements of the bureau would undoubtedly have to be closed through a canvassing committee.

#### **Philadelphia.**

Howard C. Smith, of Hathaway, Smith, Folds and Company, addressed the meeting of the Philadelphia Association of Credit Men January 27th on the federal reserve regulations as to commercial paper and their application to existing methods. Mr. Smith pointed out that commercial relations and banking touch probably a thousand different industries, and that any attempt to embody in a few rules their underlying principles in such shape as to apply to all industries presents an almost insurmountable problem, the difficulty being that what may prove a proper rule for one line of business may develop into an unwise and burdensome restriction for another. Therefore, said Mr. Smith, in the rules which the federal reserve board must adopt eligibility must consist largely in definitions and sign posts for the exercise of judgment rather than exact detailed rules that can be closely followed.

Mr. Smith pointed out that in England there have been developed out of experience and judgment, and not out of hard and fast rules, well estab-



lished, fundamental customs, broad and sane, which accomplish effectively that which we can only hope to accomplish imperfectly by rule. There are, he said, however, several requirements of the federal reserve law which the federal reserve board cannot abrogate, but must follow carefully, as:

(a) The note must be indorsed by the member bank accompanied by a waiver of demand notice and protest.

(b) It must have a maturity at the time of discount of not more than ninety days except as regards agricultural notes.

(c) It must have arisen out of actual commercial transactions.

(d) It must not have been issued for carrying or trading in stocks, bonds or other investment securities except those of the United States Government, but loans may be made on the collateral of goods.

The federal board has realized that it must undertake at once a revision of its rules so that the federal reserve bank may prove of use to a large part of the country.

Speaking of the relative merits of the acceptance as against the single name system, the former used in England, the latter in this country, Mr. Smith declared that there exists between England and this country two fundamental differences, outside of banking proper, that justify the use of single name paper here and acceptance there, the fact that there has grown up in the United States a general and broad system of cash discounts for quick payment, such as does not exist in England. So now Mr. Smith said, as merchants and manufacturers continue the system of cash discount, single name paper must necessarily remain the established form of operating for American concerns of financial strength.

Mr. Smith then went on to discuss what a complete credit file should endeavor to embrace, covering such matters as a description of the business, a summary of the general character and personality of the management, the balance sheet or statement of the borrower, the monthly and yearly sales, the expenses, and analyzed therein the insurance fund, statement of earnings, credit established with bank, and information relative to borrower from knowing or doing business with him.

### Pittsburgh.

The Pittsburgh association at its meeting of January 14th had a discussion under the direction of the credit education committee on rules to be observed in the acceptance or rejection of orders, the leader being A. F. Swearingen.

President Porter announced that an effort would be started at once to bring the convention of the National Association of Credit Men of 1916 to Pittsburgh.

### Providence.

The Providence Association of Credit Men held the second of its series of luncheons January 12th, the subject being "The financial statement," the discussion of which was led by F. S. Sibley of the Bradstreet Company, F. C. Nichols of the Industrial Trust Company and S. B. Howse of Greene, Anthony & Company. There were about sixty members and guests present.

The luncheons of the Providence association are becoming steadily more popular, the third of the series, held January 28th, having the largest attendance of any of the series. The committee in charge made a pleasing departure by seating members of each branch of trade at their own table.

The principal speaker was Frank L. Hinckley, of the firm of Green, Hinckley & Allen, whose subject was "The relation of the business man and attorney." Mr. Hinckley pointed out why the lawyer is necessary to the business man, and cited several cases where lawyers had saved their clients much expense because they were consulted in time. He also presented cases of loss incurred because business men had delayed seeking legal advice.

### Roanoke.

The Roanoke Association of Credit Men held its second annual banquet January 22nd, electing S. S. Burch of the Brand Shoe Company, Inc., president; G. G. Moore, first vice-president; W. W. Huff of Huff & Cook, second vice-president, and B. A. Marks, of W. C. Jones & Company, secretary and treasurer.



The principal speaker of the evening was E. F. Sheffey of Lynchburg, a director of the National Association of Credit Men, whose subject was "The National Association of Credit Men, Its Privileges and Benefits." He said that he had come to Roanoke to bring a message of faith and hope, for he believed that the turn in the road toward brighter prospects had been reached. He presented many clippings from well-known Southern newspapers, bearing out his statements, indicating that cotton markets were growing better, and that the South now has but to get down and face the situation. Speaking of the National Association, he declared that it played a noble part in keeping financial institutions from being swept away in a financial crisis, and to substantiate this, pointed to the reports of the seventeen committees of the last convention held at Rochester.

Another speaker was Judge Waller R. Staples, whose subject was "Do Virginia laws protect the creditor?" He reviewed the credit laws that have been applied to the affairs of men since the beginning of time, and pointed out the periods of specially great improvements. He spoke of the splendid features of the bankruptcy law, yet did not overlook its defects, among them the heavy cost of operation. He prophesied that the time would come when men would not look to protective laws in the matter of credits but to a credit insurance.

### Rochester.

The meeting of the Rochester Association of Credit Men, held January 19th, was a brilliant affair.

The principal speaker was Edward Casper Stokes, banker and former governor of New Jersey, who drove home a sermon on American patriotism. He spoke in direct opposition to the federal reserve act as it now stands upon the statute books, declaring it to be a failure, handicapping rather than aiding financial conditions of the country. The danger of the system is that it can be made a political machine of, and therefore can put the credit resources of the country too much in the hands of politicians, he said, and when politics get a hold on business, we know what becomes of business. He pointed out that the deposits in the regional reserve banks of the country today are about \$277,000,000, the discounts about \$12,000,000, which means that \$265,000,000, have been taken out of the channels of trade and locked up in the regional reserve banks, not being used, nor can ever be practically used by the country banks under the terms of the law as it now stands.

Mr. Stokes declared that the bank capital and surplus of the country ought to be permitted to be turned into liquid credit, and the country banks allowed to borrow on their capital and their surplus, with or without collateral, as they do now but that this is forbidden under the federal reserve act, so far as the regional reserve bank is concerned, unless there are government bonds or like security furnished as collateral.

Today, reserve banks, he said, are commencing to use their funds in the investment market, being driven to do this. If they continue to pursue this policy, he declared, their funds will be tied up in investments, and they will cease to be a reservoir from which to draw in times of stringency.

Other speakers were Charles E. Meek, president of the National Association, who gave an optimistic view of present day conditions, and the Rev. John W. Ross of Buffalo, who made an inspiring appeal for business idealism.

### St. Louis.

The principal speakers at the meeting of the St. Louis association, held January 14th, were Secretary J. H. Tregoe of the National Association and W. E. Bilheimer of St. Louis. Mr. Tregoe spoke on the important part the credit man had taken in the difficult period comprised within the last few years in keeping business strong and safe. He declared that they are destined to become even greater factors than ever in the new era of prosperity upon which he believed the American people were entering.

The greatest mint in the world, he said, is that managed and conducted by credit men, for with strokes of his pencil he mints credit dollars on orders, daily creating millions of dollars of credit, and it is up to him to see that he coins in his mint sound money and not counterfeit.

Mr. Bilheimer outlined the qualifications which a successful credit man must possess, the principal ones being solid character, gameness, and friendliness. He predicted a reawakening in every form of business during 1915.

Other speakers were George R. Barclay of St. Louis, John M. Callander of Des Moines, a director of the National Association, and Peter Somers.

#### **Salt Lake City.**

J. E. Cosgriff, president of the Continental National Bank of Salt Lake City, addressed the Utah association at its meeting of January 19th on "Local business conditions from a banker's viewpoint." Mr. Cosgriff's address was apropos of the statement made at a recent meeting of the creditors of a certain concern to the effect that the local banks were recalling numerous loans though the condition of the debtors was not different from that at the time the loan was made and the result was the forcing of several concerns out of business. This statement had brought about the appointment of a committee of creditors which had asked the board of directors of the Utah association to call the attention of the local banks to the statement.

Mr. Cosgriff in his talk showed how the payment of taxes in the month of November, under the state system which called for tax payment once a year, had resulted in the withdrawal of about eight per cent of the total deposits in Salt Lake City. He also showed how the bonded indebtedness of counties, schools and cities was ever on the increase, the policy being to increase and never retire bonded indebtedness. He also showed how the counties' floating indebtedness on which the tax payers were paying a heavy rate of interest militated against legitimate borrowers securing funds needed for mercantile purposes. He stated that the borrower of money was charged an interest rate higher because of the idleness of automobiles and such. At the conclusion of the meeting a resolution was offered and adopted asking that the legislative committee prepare a measure for submission to the present legislature calling for the payment of taxes in two annual installments instead of once annually as at present.

#### **Seattle.**

That the members of the association are eager to get information from their fellows upon better methods of checking credits and of merchandizing, was illustrated at the meeting of the Seattle association, held January 18th. At this meeting the importance of the financial statement was discussed under the leadership of R. F. Miller, who brought out this important truth, that the first benefit of the financial statement, contrary to general opinion, is not to the wholesaler, jobber or manufacturer, but to the small merchant who asks and receives credit, in other words, to the debtor himself, for it gives him a grasp on his affairs that larger concerns have long since learned is essential.

The average small merchant, Mr. Miller pointed out, does not know whether he is making or losing money, and never will till by means of the financial statement required as requisite to credit he is made to look his financial conditions squarely in the face. Through the periodical financial statement, said Mr. Miller, the experienced credit man can often foresee impending trouble before it becomes acute and save many an honest, but careless merchant from bankruptcy, so that the credit man may become the merchant's best friend, the man who looks at his business in its every angle, the man informed in financial and business conditions, as the merchant-customer can never hope to be.

There was an interesting symposium led by the Fire Insurance Committee consisting of L. Holmgren, C. Macklem and J. S. Ferguson on subjects coming within the committee's province, namely, "Fire Waste and Prevention," "Fire Insurance as a Basis for Credit," "The Necessity of Concerted Action by Credit Men in Educating their Customers to Carry Adequate Fire Insurance."

#### **Sioux City.**

At the annual meeting of the Sioux City Association of Credit Men, held January 20th, H. C. Reed of the Conway Cigar Company was elected president; R. B. Comstock of Tolerton & Warfield Company, vice-president; W. F. Teter of Ehlerman Bros. Company, secretary, and W. G. Schroer of the Johnson Biscuit Company, treasurer. A. P. Soelberg, who has acted as secretary and manager of the Interchange Bureau, was re-elected manager of the latter, while C. J. Seidensticker continues as manager of the Adjustment Bureau.

There were reports from officers and committee chairmen, all indicative of an association alive to its fullest possibilities of service. The report of the committee on commercial education was particularly interesting, showing an enrollment in the class on commercial credits of fifty-seven.

### Spokane.

The Spokane Association of Credit Men held its eleventh annual meeting in December, the best, according to the judgment of association leaders, ever held by the organization, 172 representatives of member houses being present.

Thomas S. Griffith of Benham & Griffith Company was elected president; O. C. Jensen of Jensen-King-Byrd Company, first vice-president; R. O. McClintock of McClintock Trunk Company, second vice-president; J. B. Campbell, secretary-treasurer, and L. H. Macomber, assistant secretary.

It was announced that some of the younger members of the association had organized a "Round Table Study Club" for the purpose of taking up various legal subjects which enter into the daily work of the credit grantor. For the present, Secretary Campbell is leading off in the round table discussions.

### Springfield (Massachusetts).

The Springfield Association of Credit Men, at a noon-day meeting, held January 23d, heard Clifford B. Potter, one of Springfield's leading manufacturers, speak on character as an asset or basis for credit. Mr. Potter declared that character and uprightness in business is a greater factor today than ever in the great changes taking place in the business world and will be still more important in the remarkable development which will result from the present war in Europe. He declared that the marvelous growth of the cities in the west is one of the causes for the money tightness which has brought in its train more or less disastrous results, but fortunately we are beginning to realize that there must be something behind business besides money, and that something is character.

This meeting was the first of a series which is to be under the direction of the business meetings committee.

### Tampa.

The Tampa Association of Credit Men perfected its organization at a meeting held January 15th, adopting its constitution and by-laws. Perry G. Wall was elected vice-president inasmuch as at the first meeting this position had not been filled.

There was a discussion upon the subject of the association helping to make Tampa a more active market for the state of Florida. It was agreed among the members that traveling men should boost all lines of business in Tampa, and that jobbers receiving orders they were unable to fill would go to their competitors for the goods rather than permit the orders to go unfilled.

President Bentley discussed the subject of fire insurance and urged that the members persistently call the attention of their customers to the necessity of properly protecting their business against fire disaster.

Vice-president Wall spoke on the causes of failures among retailers, expressing the firm conviction that for the most part they are due to ignorance of proper business methods. The association, he declared, should do what it can to dispel the ignorance which is responsible for the numerous failures.

### Washington.

The Washington Association of Credit Men held an excellently attended luncheon January 21st and heard Congressman Charles A. Korbly of Indiana, member of the banking and currency committee of the house, review the special rules that had been promulgated by the federal reserve board relating to rediscounting by the federal reserve banks. As Mr. Korbly is one of the best posted men in Washington on the subject of banking and currency and was close to Carter Glass throughout the period when banking and currency led in interest in Washington, Mr. Korbly was particularly well qualified to discuss the later developments under the act, comparing them with the expectations of the framers of the bill.

**Wheeling.**

The Wheeling Association of Credit Men was addressed, at its meeting of January 21st, by A. D. Sallee of Pittsburgh, on "The four Cs of the credit man," and by Edwin Jepson of Wheeling on "Freight claims." The attendance at the Wheeling meetings is steadily on the increase.

**Worcester.**

President Charles E. Meek of the National Association and Reginald Washburn, president of the Wire Goods Company were the speakers at the meeting of the Worcester Association of Credit Men held January 12th.

Mr. Meek gave a general review of business conditions and particularly spoke upon the working of the new federal reserve system, which he said would have a tendency to check rather than unduly expand credit accounts.

Mr. Washburn's subject was "Sales agreements and terms," following which there was a general discussion of the advisability of concerted action in the use of sales terms cards by the members of the association in general.

**Youngstown.**

The Youngstown association has arranged for a series of practical discussions, the first of the series being led by Edward R. Lowry, January 7th, with the subject, "Opening a domestic account." The next number of the series was that of O. D. Kaiser of the General Fireproofing Company on "Credit and collections in foreign trade." The series has attracted the attention and interest of a large percentage of the membership.

# WANTS

**CAN YOU USE THE SERVICES OF A YOUNG MAN**, 27 years old, having nine years' experience in every possible phase of credit work, in commercial as well as financial lines; at present credit man in large importing house handling a business of one and one-half million dollars annually with success? Am seeking connection where honest endeavors, hard and conscientious work will be rewarded. Possess initiative and executive ability and can furnish the highest credentials. Salary secondary consideration to opportunity for advancement. Location immaterial. Address A. B. H., care National Association of Credit Men, 41 Park Row, New York, N. Y.

**THE CREDIT AND OFFICE MANAGER** of a large New York manufacturing concern, leaders in their line, selling direct to the department store and retail dry goods trade, for strictly financial betterment reasons, desires to make a change. Would like to connect with a progressive, growing concern, in or out of New York, to take entire charge of the credits and collections, as well as the financial and supervision of clerical staff if desired. Salary \$6,000, thirty-eight, married, for years have been accustomed to assume large responsibilities, and present and past success is ample guarantee of similar future results. References are of the highest grade and will stand closest scrutiny. Address M. C. L., care National Association of Credit Men, 41 Park Row, New York, N. Y.

**CREDIT AND OFFICE MANAGER**, of 20 years' Chicago experience desires change. Have been through the mill and know my business. A decent, fair salary for a start would be considered. Age thirty-seven, married. Address A. W. B., care National Association of Credit Men, 41 Park Row, New York, N. Y.

**ASSISTANT CREDIT MAN** and office manager, 25 years of age with six years' experience, desires new connection with growing concern in need of credit man or assistant. Well educated, thoroughly conversant with up-to-date credit methods and an able correspondent. Highest reference as to character and ability. Now employed by large manufacturing corporation and stockholder therein, but have good reasons for desiring a change. Address **STRICTLY CONFIDENTIAL**, care National Association of Credit Men, 41 Park Row, New York, N. Y.



**HIGH GRADE MAN WITH CREDENTIALS WANTS POSITION OF RESPONSIBILITY**, strong on organization and co-operation, scientific management, efficiency, analysis of costs, expense economy, accounting systems, good health and endurance—having force, initiative and experience. Knows how to handle men and get results harmoniously. References: reliable business men, New York, Chicago and Buffalo. Can go anywhere for interview. Address E. X. A., care National Association of Credit Men, 41 Park Row, New York, N. Y.

**EXPERIENCED CREDIT OFFICE MANAGER AND ACCOUNTANT** with long experience in prominent waist and clothing lines, will be open for engagement with a live concern about February 1st. For the past five years have successfully handled a business of one and one-half million dollars annually. Possess executive and initiative ability, and am forceful correspondent. My credentials bear the highest integrity. Age forty-three, married. An opportunity is my present consideration. Address C. H. D., care National Association of Credit Men, 41 Park Row, New York, N. Y.

**WANTED.** Position by credit man, 37 years old, 17 years' hard experience as credit man, first rate accountant and deviser of office methods, fair knowledge of commercial law, can handle almost an unlimited correspondence, good manager of salesmen, can see almost anything, tireless and consistent worker, good character and habits. Will start at a reasonable salary and prove worth. Address H., care National Association of Credit Men, 41 Park Row, New York, N. Y.

**IF RESULTS** and clean cut business methods on credits, collections and general office management will be appreciated by an up-to-date American concern, either New York, New England or Pennsylvania, let them correspond with C. A. D., care National Association of Credit Men, 41 Park Row, New York, N. Y.

**SITUATION WANTED.** Experienced bookkeeper and office man, capable of taking full charge of office; thirty-six years of age and married. Two years in last position and seven years in previous position, neither of them lost through any acts of incompetence. Previous employers will highly recommend. Address H. R., care National Association of Credit Men, 41 Park Row, New York, N. Y.

**THOROUGH OFFICE MAN** with executive ability and some experience as assistant credit man would like position with large establishment. Best of references as to character. Address A. P. C., care National Association of Credit Men, 41 Park Row, New York, N. Y.

**HIGH GRADE EXECUTIVE CREDIT MAN AND GENERAL OFFICE MANAGER** wishes to make change for the most excellent reasons and is desirous of connecting in New York City. At present with largest concern of kind in world, having general supervision and handling millions annually, thousands of accounts and office force of one hundred. Has had broad experience, and to a company requiring a high-grade man to assume entire charge this is an opportunity to secure such an executive. Highest credentials and full information furnished at interview. Address G. C. D., care National Association of Credit Men, 41 Park Row, New York, N. Y.

## DIRECTORIES

### Directory of Standing and Special Committees, 1914-15. (Chairmen)

**ADJUSTMENT BUREAU COMMITTEE**, S. F. Miller, S. F. & A. F. Miller Co., Baltimore, Md.  
**BANKING AND CURRENCY COMMITTEE**, H. H. Merrick, Armour & Co., Chicago, Ill.  
**BANKRUPTCY LAW COMMITTEE**, W. M. Kennard, Graupner, Love and Lamprecht, New York, N. Y.  
**BUSINESS LITERATURE COMMITTEE**, J. B. Dwyer, Ontario Biscuit Co., Buffalo, N. Y.

**SPECIAL COMMITTEE ON BUSINESS MEETINGS**, H. G. Barbee, Harris, Woodson, Barbee Co., Norfolk, Va.  
**COMMITTEE ON CREDIT CO-OPERATION**, O. S. Larkby, Edwards Mfg. Co., Cincinnati, Ohio.  
**COMMITTEE ON COMMERCIAL ARBITRATION**, Aaron Wolfson, Kahn Tailoring Co., Indianapolis, Ind.  
**COMMITTEE ON COMMERCIAL ETHICS**, T. Homer Green, Green-De Laittre Co., Minneapolis, Minn.



CREDIT DEPARTMENT METHODS COMMITTEE, W. M. Bonham, C. M. McClung & Co., Knoxville, Tenn.

COMMITTEE ON CREDIT EDUCATION AND MANAGEMENT, W. B. Fish, Printz-Biederman Co., Cleveland, Ohio.

SPECIAL COMMITTEE ON THE AMENDMENT OF EXEMPTION LAWS, B. W. Haggerty, Morris & Company, Oklahoma City, Okla.

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FIRE INSURANCE COMMITTEE, A. G. Foster, Seattle Mattress & Upholstery Co., Seattle, Wash.

SPECIAL COMMITTEE ON FOREIGN CREDITS, Louis S. Goldstein, Louis Goldstein & Sons Co., New Orleans, La.

NATIONAL INVESTIGATION AND PROSECUTION COMMITTEE COUNCIL, C. R. Burnett, American Oil & Supply Co., Newark, N. J.

LEGISLATIVE COMMITTEE, Frederick F. Ingram, Frederick F. Ingram & Co., Detroit, Mich.

MEMBERSHIP COMMITTEE, Henry P. Spilker, Sterrit-Thomas Foundry Co., Pittsburgh, Pa.

MERCANTILE AGENCY SERVICE COMMITTEE, Thomas May Peirce, Jr., Oscar Smith & Sons Co., Philadelphia, Pa.

## Directory of Officers of the Affiliated Branches of the National Association of Credit Men.

(Arranged Alphabetically by States)

ALABAMA, Birmingham—Merchants and Manufacturers Association of Birmingham. President R. A. Porter, Tyler Gro. Co.; Secretary, J. A. Coker, Birmingham Paper Co.; Assistant Secretary, R. H. Eggleston, Chamber of Commerce Bldg.; Manager, J. T. Slatten, 612-14 Chamber of Commerce Bldg.

ALABAMA, Montgomery—Montgomery Association of Credit Men. President, I. H. De Wees, Ballard & Ballard; Secretary, Ernest Meyer, Levy-Wolff Shoe Co.; Asst. Secretary, J. M. Holloway, Bell Bldg.

ALABAMA, Selma—Selma Association of Credit Men. President, J. B. Ellis, Union Iron Works Co.; Secretary, R. M. Watters, Tissier Hardware Co.

ARKANSAS, Fort Smith—Fort Smith Association of Credit Men. President, M. T. Dyke, Dyke Bros.; Secretary, Ben D. Kimpel, 606 Merchants National Bank Bldg.

ARKANSAS, Little Rock—Little Rock Association of Credit Men. President, Sam T. Poe, Beal-McDonnell Co.; Secretary, L. H. Pace, Crane Co.

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CALIFORNIA, San Diego—The Credit Association of San Diego. President, F. E. Keil, Keil Bros. Co., Inc.; Secretary, Carl O. Retsloff, 607-8 Spreckles Theatre Bldg.

CALIFORNIA, San Francisco—San Francisco Credit Men's Association. President, Robt. H. Gay, American Can Co.; Secretary, Charles T. Hughes, 433 California St.

COLORADO, Denver—Denver Credit Men's Association. President, Jas. A. McSwigan, The Crescent Mill & Elevator Co.; Secretary, S. R. Steinmetz, The Donaldson Fruit Co.; Assistant Secretary, David F. Lowe, 503 Continental Bldg.

COLORADO, Pueblo—Pueblo Association of Credit Men. President, A. V. Fagerstrom, Hyde Paper Co.; Assistant Secretary, F. L. Taylor, 410 Central Block.

CONNECTICUT, Bridgeport—Bridgeport Association of Credit Men. President, Geo. E. Melius, H. O. Canfield Co.; Secretary, L. M. Allen, Bridgeport Brass Co.

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CONNECTICUT, New Haven—New Haven Association of Credit Men. President, H. B. Kennedy, Hoggson-Pettis Co.; Secretary, Ziegler Sargent, Sargent Co.

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FLORIDA, Tampa—Tampa Association of Credit Men. President, Frank Bentley, The Bentley-Gray Dry Goods Co.; Secretary, A. Masters, Coates Plumbing Supply Co.

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IDAHO, Boise—Boise Association of Credit Men. Ltd. President, John L. Hollingshead, Oakes & Co.; Secretary, D. J. A. Dirks, 305-306 Idaho Bldg.

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- INDIANA, Indianapolis**—Indianapolis Association of Credit Men. President, Mord Carter, State Savings & Trust Co.; Secretary, John V. Coffield, 704 Merchants Bank Bldg.
- IOWA, Cedar Rapids**—Cedar Rapids Association of Credit Men. President, J. D. Nicoll, Warfield-Pratt-Howard Co.; Secretary, J. J. Lenihan, Lüberger & Lenihan.
- IOWA, Davenport**—Davenport Association of Credit Men. President, George W. Noth, Davenport Bag and Paper Co.; Secretary, Isaac Petersberger, 222 Lane Bldg.
- IOWA, Des Moines**—Des Moines Credit Men's Association. President, J. H. Cochrane, Des Moines Paper Box Co.; Secretary, G. B. Voorhees, Langan Bros. Co.
- IOWA, Sioux City**—Sioux City Association of Credit Men. President, H. C. Reed, Conway Cigar Co.; Secretary, W. F. Teter, Ehlerman Bros. Co.
- IOWA, Waterloo**—Waterloo Association of Credit Men. President, George W. Huntley, Cutter Hdwe. Co.; Secretary, L. E. Peck, Waterloo Chemical Works.
- KANSAS, Wichita**—Wichita Association of Credit Men. President, L. B. McCausland, Ross Brothers; Secretary, C. H. Armstrong, McCormick-Armstrong Press; Asst. Secy., M. E. Garrison, 515 Beacon Bldg.
- KENTUCKY, Lexington**—Lexington Credit Men's Association. President, William R. Snyder, Curry, Brown & Snyder; Secretary, C. L. Williamson, 1312-15 Fayette Natl. Bank Bldg.
- KENTUCKY, Louisville**—Louisville Credit Men's Association. President, Peyton B. Bethel, Falls City Clothing Co.; Secretary, Chas. Fitzgerald, U. S. Trust Co. Bldg.
- KENTUCKY, Paducah**—Paducah Association of Credit Men. President, J. M. Walton, Covington Bros. & Co.; Secretary, A. M. Ashcroft, L. S. DuBois Son & Co.
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- MASSACHUSETTS, Boston**—Boston Credit Men's Association. President, Austin H. Decatur, Decatur & Hopkins Co.; Secretary, Herbert A. Whiting, 77 Summer St.
- MASSACHUSETTS, Springfield**—Springfield Credit Men's Association. President, R. B. McGaw, Fisk Rubber Co., Chicopee Falls; Secretary, L. E. Herick, Victor Sporting Goods Co.
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- MICHIGAN, Detroit**—Detroit Association of Credit Men. President, Edward Bland, Ireland & Matthews Mfg. Co.; Secretary, Frank R. Hamburger, 1032 Dime Bank Bldg.
- MICHIGAN, Grand Rapids**—Grand Rapids Credit Men's Association. President, Fred H. Locke, Alabastine Co.; Secretary, Walter H. Brooks, Wolverine Brass Wks.
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- MINNESOTA, Minneapolis**—Minneapolis Association of Credit Men. President, J. M. Paul, McDonald Bros. Co.; Secretary, W. O. Hawkins, McClellan Paper Co.
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- MISSOURI, Kansas City**—Kansas City Association of Credit Men. President, R. N. French, Union Match Co.; Secretary, Marvin Orear, 504 New England Bldg.
- MISSOURI, St. Joseph**—St. Joseph Credit Men's Association. President, E. H. Zimmerman, Tootle-Lemon National Bank; Secretary, F. W. Yonkers, Letts-Parker Grocery Co.
- MISSOURI, St. Louis**—St. Louis Association of Credit Men. President, J. W. Chilton, 312 Security Bldg.; Secretary, C. P. Welsh, 315 Security Bldg.
- MONTANA, Butte**—Butte Association of Credit Men. President, A. R. Currie, Virden & Currie Co.; Secretary, W. E. Dufresne, Montana Hdwe. Co.; Assistant Secretary, C. E. Alsop, Ind. Tel. Bldg.
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- NEBRASKA, Omaha**—The Omaha Association of Credit Men. President, Eugene Atkins, Farlin & Orendorff Plow Co.; Secretary, Henry Bressman, 412 Karbach Block.
- NEW JERSEY, Newark**—Newark Association of Credit Men. President, Arthur B. Underwood, Riley-Klotz Co.; Secretary, Harry I. Hunt, Room 906, 671 Broad St.
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- NEW YORK, Utica**—Utica Association of Credit Men. President, Irving L. Jones, International Heater Co.; Secretary, Fred W. Wienke, care Charles Millar & Son Co.
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- NORTH DAKOTA, Fargo**—Fargo Association of Credit Men. President, J. W. McHose, McHose & Pardue; Secretary, H. L. Loomis, N. W. Mutual Savings and Loan Ass'n.
- NORTH DAKOTA, Grand Forks**—Grand Forks Association of Credit Men. President, W. G. McDonald, Nash Bros.; Secretary, F. D. Cameron, Park, Grant & Morris Gro. Co.
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- OHIO, Cleveland—Cleveland Association of Credit Men. President, F. H. Randel, American Stove Co.; Secretary, Irvine K. Schnaitter, 324 Engineers Bldg.
- OHIO, Columbus—Columbus Credit Men's Association. President, C. W. Hammond, Avery-Loeb Elec. Co.; Secretary, Benson G. Watson, 411-420 The New First National Bank Bldg.
- OHIO, Toledo—Toledo Association of Credit Men. President, Allen A. Smith, The Goodsell Mfg. Co.; Secretary, Fred A. Brown, 1639 Nicholas Bldg.
- OHIO, Youngstown—Youngstown Association of Credit Men. President, T. J. Connor, Republic Iron & Steel Co.; Secretary, W. C. McKain, 1106-7 Mahoning National Bank Bldg.
- OKLAHOMA, Oklahoma City—Oklahoma City Association of Credit Men. President, J. G. York, Sulzberger & Sons Co.; Secretary, E. C. Smith, 1217 Concord Bldg.
- OREGON, Portland—Portland Association of Credit Men. President, Edward Drake, J. K. Gill Co.; Secretary, E. G. Leihy, Blumauer-Frank Drug Co.
- PENNSYLVANIA, Allentown—Lehigh Valley Association of Credit Men. President, Wm. N. Eberhard, F. Hersh Hdwe. Co.; Secretary, E. V. Ryan, 402 Hunsicker Bldg.
- PENNSYLVANIA, New Castle—New Castle Association of Credit Men. President, Le Roy Taylor, The Hartzel-Taylor Co.; Secretary, Roy M. Jamison, 509 Greer Block.
- PENNSYLVANIA, Philadelphia—Philadelphia Association of Credit Men. President, Freas Brown Snyder, First National Bank; Secretary, ———, Room 801, 1011 Chestnut St.
- PENNSYLVANIA, Pittsburgh—Pittsburgh Association of Credit Men. President, James E. Porter, Fifth Sterling Steel Co., McKeesport, Pa.; Secretary, A. C. Ellis, Renshaw Bldg.
- RHODE ISLAND, Providence—Providence Association of Credit Men. President, Llewellyn W. Jones, General Fire Extinguisher Co.; Secretary, Irving F. Orr, Clason Architectural Metal Works.
- SOUTH CAROLINA, Columbia—Columbia Association of Credit Men. President, E. N. Joyner, Southern States Supply Co.; Secretary, Moffat B. Du Pre, Moffat B. Du Pre Co.
- SOUTH CAROLINA, Greenville—Greenville Association of Credit Men. President, D. C. Durham, Gilreath & Durham Co.; Secretary, Albert S. Johnstone, Chamber of Commerce.
- SOUTH DAKOTA, Sioux Falls—Sioux Falls Association of Credit Men. President, A. R. Fellows, Brown Drug Co.; Secretary, Harry Pomeroy, Sioux Falls Paper Co.
- TENNESSEE, Chattanooga—Chattanooga Association of Credit Men. President, D. A. Landress, Trotter Bros.; Secretary, J. H. McCallum, Hamilton Nat'l Bank Bldg.
- TENNESSEE, Johnson City—Johnson City Association of Credit Men. President, Thos. B. Wolfe, Model Mill Co.; Secretary, L. W. McCown, C. G. Hannah & Co.
- TENNESSEE, Knoxville—Knoxville Association of Credit Men. President, W. M. Bonham, C. M. McClung & Co.; Secretary, A. W. Thompson, House, Haddon Hdwe. Co.
- TENNESSEE, Memphis—Memphis Association of Credit Men. President, M. G. Bailey, North Memphis Savings Bank; Secretary, Oscar H. Cleveland, Business Men's Club Bldg.
- TENNESSEE, Nashville—Nashville Credit Men's Association. President, A. H. Meyer, L. Jonas & Co.; Secretary, Chas. H. Warwick, 804 Stahlman Bldg.
- TEXAS, Dallas—Dallas Association of Credit Men. President, Vernor Hall, Blair-Hughes & Co.; Secretary, F. C. Diercks, Texas Machine & Supply Co.
- TEXAS, El Paso—El Paso Association of Credit Men. President, H. W. Browder, E. P. Kepley Co.; Secretary, S. W. Daniels, 307 City Nat. Bank Bldg.
- TEXAS, Fort Worth—Fort Worth Association of Credit Men. President, C. B. Abney, Waples-Platter Gro. Co.; Secretary, H. C. Burke, Jr., Henry C. Burke & Sons.
- TEXAS, Houston—Houston Association of Credit Men. President, H. A. Neumann, F. W. Heitmann & Co.; Secretary, A. L. Dingle, Bonner Oil Co.
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- UTAH, Salt Lake City—Utah Association of Credit Men. President, Arthur Parsons, 82 Quince St.; Asst. Secretary, Walter Wright, 1411 Walker Bank Bldg.
- VERMONT, Burlington—Burlington Association of Credit Men. President, Smith F. Henry, Vermont Hdwe. Co.; Secretary, H. S. Howard, Howard's Insurance Agency.
- VIRGINIA-TENNESSEE, Bristol—Bristol Association of Credit Men. President, F. C. Newman, King Bros. Shoe Co.; Secretary, W. E. Sams, Eagle Overall Co.
- VIRGINIA, Lynchburg—Lynchburg Credit Men's Association. President, Jno. M. Funkhouser, Smith-Briscoe Shoe Co.; Secretary, Harry H. Brown, Craddock-Terry Co.
- VIRGINIA, Norfolk—Norfolk-Tidewater Association of Credit Men. President, H. G. Barbee, Harris, Woodson, Barbee Co.; Secretary, C. L. Whichard, Whichard Brothers Co.; Assistant Secretary, Shelton N. Woodard, 611 Nat'l Bank of Commerce Bldg.
- VIRGINIA, Richmond—Richmond Credit Men's Association. President, E. E. Hinckle, Richmond Dry Goods Co.; Secretary, Jo Lane Stern, 905 Travelers' Insurance Bldg.
- VIRGINIA, Roanoke—Roanoke Association of Credit Men. President, S. S. Burch, Brand Shoe Co., Inc.; Secretary, B. A. Marks, W. C. Jones & Co.
- WASHINGTON, Seattle—Seattle Association of Credit Men. President, H. S. Gaunce, J. T. Hardeman Hat Co.; Secretary, Geo. S. Rice, Simonds Mfg. Co.
- WASHINGTON, Spokane—Spokane Merchants' Association. President, Thomas S. Griffith, Benham & Griffith Co.; Secretary, J. B. Campbell, 1124 Old National Bank Bldg.
- WASHINGTON, Tacoma—Tacoma Association of Credit Men. President, Wm. Schlarb, Jr., Sperry Flour Co.; Secretary, R. D. Simpson, 802-4 Tacoma Bldg.
- WEST VIRGINIA, Bluefield-Graham—Bluefield-Graham Credit Men's Association. President, Harry Charleton, Amicon Fruit Co., Bluefield, W. Va.; Secretary, P. J. Alexander, Flat Top Grocery Co., Bluefield, W. Va.
- WEST VIRGINIA, Charleston—Charleston Association of Credit Men. President, W. A. McNeal, Standard Oil Co.; Secretary, Okey Johnson, Abney-Barnes Co.
- WEST VIRGINIA, Clarksburg—Central West Virginia Association of Credit Men. President, W. T. Wallis, Hor-

nor-Gaylord Company; Secretary, Karl A. Holy, Williams Hardware Company.  
**WEST VIRGINIA**, Huntington—Huntington Association of Credit Men. President, John E. Norvell, Norvell-Chambers Shoe Co.; Secretary, C. C. Henking, Croft-Standard Company.  
**WEST VIRGINIA**, Parkersburg—Parkersburg Association of Credit Men. President, T. E. Graham, Graham-Bumgarner Co.; Secretary, H. W. Russell, Rectory Bldg.  
**WEST VIRGINIA**, Wheeling—Wheeling Association of Credit Men. President, Geo. D. Maxwell, Hicks and Hoge D. G. Co.; Secretary, John Schellhase, Natl. Exchange Bank Bldg.

**WISCONSIN**, Green Bay—Wholesale Credit Men's Association of Green Bay. President, Wm. P. Brenner, Brenner Candy Co.; Secretary, L. D. Jaseph, Cady, Strehlow & Jaseph.

**WISCONSIN**, Milwaukee—Milwaukee Association of Credit Men. President, J. G. Kissinger, Rauser, Leavens & Kissinger Co.; Secretary, H. M. Battin, 610 Germania Bldg.

**WISCONSIN**, Oshkosh—Oshkosh Association of Credit Men. President, Ben Hooper, Bemis-Hooper-Hayes Co.; Secretary, Chas. D. Breon, 83 Monument Sq.

## Directory of Adjustment Bureaus Conducted by Local Credit Men's Associations.

California, Los Angeles, F. C. DE LANO, Mgr., Higgins Bldg.  
 California, San Diego, CARL O. RETSLOFF, Mgr., 607-608 Spreckle's Bldg.  
 California, San Francisco, C. T. HUGHES, Mgr., 510 Insurance Exchange Bldg.  
 Colorado, Pueblo, F. L. TAYLOR, Mgr., 410 Central Block.  
 Georgia, Atlanta, H. A. FERRIS, Mgr., Chamber of Commerce Bldg.  
 Georgia, Augusta, H. M. OLIVER, Mgr., Johnson Bldg.  
 Idaho, Boise, D. J. A. DIRKS, Mgr., 305 Idaho Bldg.  
 Illinois, Chicago, M. C. RASMUSSEN, Mgr., 10 So. La Salle Street.  
 Iowa, Cedar Rapids, J. J. LENIHAN, Mgr., Luberger & Lenihan.  
 Iowa, Davenport, ISAAC PETERSBERGER, Mgr., 222 Lane Bldg.  
 Iowa, Des Moines, A. W. BRETT, Mgr., 708 Youngman Bldg.  
 Iowa, Sioux City, C. J. SEIDENSTICKER, Mgr., The Motor Mart.  
 Kansas, Wichita, M. E. GARRISON, Mgr., 515 Beacon Bldg.  
 Kentucky, Lexington, C. L. WILLIAMSON, Mgr., McClelland Bldg.  
 Kentucky, Louisville, CHAS. FITZGERALD, Mgr., 45 U. S. Trust Co. Bldg.  
 Louisiana, New Orleans, W. C. LOVEJOY, Mgr., 608 Canal, Louisiana Bk. Bldg.  
 Maryland, Baltimore, S. D. BUCK, Mgr., 100 Hopkins Place.  
 Massachusetts, Boston, H. A. WHITING, Commissioner, 77 Summer Street.  
 Michigan, Grand Rapids, R. J. CLELAND, Mgr., 435½ Michigan Trust Bldg.  
 Minnesota, Duluth, GEORGE H. WRIGHT, Mgr., 624 Manhattan Bldg.  
 Minnesota, Minneapolis, J. P. GALBRAITH, Mgr., 241 Endicott Bldg., St. Paul.  
 Minnesota, St. Paul, JOHN P. GALBRAITH, Mgr., 241 Endicott Bldg.  
 Missouri, Kansas City, M. L. OREAR, Mgr., 504 New England Bldg.  
 Missouri, St. Joseph, C. S. KEANE, Mgr., 208 Saxton Bank Bldg.  
 Missouri, St. Louis, J. W. CHILTON, 310-313 Security Bldg.  
 Montana, Butte, C. E. ALSOP, Trustee, Ind., Telephone Bldg.  
 New York, Buffalo, W. B. GRANDISON, Mgr., 904 D. S. Morgan Bldg.  
 New York, Syracuse, R. S. BETTERTON, Mgr., Vinney Bldg.  
 Ohio, Cincinnati, I. M. FREIBERG, Mgr., 904 Commercial Tribune Bldg.  
 Ohio, Cleveland, T. C. KELLER, Commissioner, 324 Engineers Bldg.  
 Ohio, Columbus, B. G. WATSON, Mgr., 411 The New First Nat. Bank Bldg.  
 Ohio, Toledo, FRED A. BROWN, Mgr., 1639 Nicholas Bldg.  
 Ohio, Youngstown, W. C. MCKAIN, Mgr., 1106 Mahoning Nat. Bank Bldg.  
 Oregon, Portland, B. K. KNAPP, Mgr., 603 Commercial Block.  
 Pennsylvania, New Castle, ROY M. JAMISON, Mgr., 509 Greer Block.  
 Pennsylvania, Philadelphia, Room 801, 1011 Chestnut St.  
 Pennsylvania, Pittsburgh, A. C. ELLIS, Mgr., Renshaw Bldg.  
 Tennessee, Chattanooga, J. H. MCCALLUM, Mgr., Hamilton Nat. Bank Bldg.  
 Tennessee, Memphis, OSCAR H. CLEVELAND, Mgr., Business Men's Club Bldg.  
 Tennessee, Nashville, CHAS. H. WARWICK, Mgr., 1222 Stahlman Bldg.  
 Texas, El Paso, S. W. DANIELS, Mgr., 35 City Nat. Bank Bldg.  
 Texas, Houston, F. T. MARQUETTE, 1117 Union National Bank Bldg.  
 Texas, San Antonio, HENRY A. HIRSHBERG, Mgr., Chamber of Commerce.  
 Utah, Salt Lake City, WALTER WRIGHT, Mgr., 1411 Walker Bank Bldg.  
 Virginia, Norfolk, SHELTON N. WOODARD, Mgr., 611 Nat. Bk. of Commerce Bldg.  
 Virginia, Richmond, JO LANE STERN, Mgr., 905 Travelers Insurance Bldg.  
 Washington, Seattle, S. T. HILLS, Mgr., Polson Bldg.  
 Washington, Spokane, J. B. CAMPBELL, Mgr., 1124 Old National Bank Bldg.  
 Washington, Tacoma, W. W. KEYES, Mgr., 802 Tacoma Bldg.  
 West Virginia, Wheeling, J. E. SCHELLHASE, Mgr., 631 Nat. Exch. Bank Bldg.  
 Wisconsin, Green Bay, L. D. JASEPH, Mgr., Fox Block.  
 Wisconsin, Milwaukee, S. FRED. WETZLER, Mgr., 1405 First Nat. Bank Bldg.



A List of cities where bureaus for the exchange of credit information are being operated by affiliated branches of the National Association of Credit Men:

*Bureaus for the Exchange of Credit Information*

Atlanta, Ga.	New Castle, Pa.
Augusta, Ga.	New Orleans, La.
Baltimore, Md.	Norfolk, Va.
Birmingham, Ala.	Oklahoma City, Okla.
Boise, Idaho	Omaha, Neb.
Boston, Mass.	Oshkosh, Wis.
Buffalo, N. Y.	Parkersburg, W. Va.
Cedar Rapids, Ia.	Philadelphia, Pa.
Chicago, Ill.	Pittsburgh, Pa.
Cincinnati, Ohio.	Portland, Ore.
Columbia, S. C.	Pueblo, Colo.
Columbus, Ohio	St. Joseph, Mo.
Decatur-Springfield, Ill.	St. Louis, Mo.
Denver, Colo.	St. Paul, Minn.
Duluth, Minn.	Salt Lake City, Utah
El Paso, Texas	San Antonio, Texas
Grand Rapids, Mich.	San Diego, Cal.
Green Bay, Wis.	Seattle, Wash.
Houston, Texas.	Sioux City, Iowa
Indianapolis, Ind.	Spokane, Wash.
Kansas City, Mo.	Syracuse, N. Y.
Lexington, Ky.	Tacoma, Wash.
Louisville, Ky.	Toledo, Ohio
Memphis, Tenn.	Wheeling, W. Va.
Milwaukee, Wis.	Wichita, Kansas
Minneapolis, Minn.	Wilmington, N. C.
Montgomery, Ala.	Youngstown, Ohio
Nashville, Tenn.	
Newark, N. J.	

Laws regulating the sale of stocks of goods in bulk have been placed upon the statute books of all states of the Union except Kansas.

The Adjustment Bureaus conducted under the auspices of affiliated branches of this Association aim to bring about "friendly adjustments" as representing the most economical means in all respects of handling embarrassed estates. Standing as they do for the soundest principles, these bureaus should be given the cordial support of all members. Whenever creditors feel that justice is not being done by the operating bureau, they have a resort to the office of the National Association with which all grievances should be filed.

See the Directory of Adjustment Bureaus in this Bulletin.





The Association's newly adopted Trade Inquiry Blank. They will be furnished members only, the prices being:

Lots of 500 - - - \$3.25  
Lots of 1,000 - - - 5.00

Prices include the imprinting of names, business classification, and date lines.

National Association of Credit Men,

41 PARK ROW, NEW YORK, N. Y.